

PREVAILED

Roll Call No. \_\_\_\_\_

FAILED

Ayes \_\_\_\_\_

WITHDRAWN

Noes \_\_\_\_\_

RULED OUT OF ORDER

## HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that House Bill 1001(ss) be amended to read as follows:

- 1       Page 121, between lines 41 and 42, begin a new paragraph and  
2       insert:  
3       "SECTION 53. IC 4-4-11-15.6, AS ADDED BY P.L.214-2005,  
4       SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
5       JANUARY 1, 2010]: Sec. 15.6. In addition to the powers listed in  
6       section 15 of this chapter, the authority may:  
7       (1) issue bonds under terms and conditions determined by the  
8       authority and use the proceeds of the bonds to acquire obligations  
9       issued by any entity authorized to acquire, finance, construct, or  
10      lease capital improvements under IC 5-1-17; ~~and~~  
11      (2) issue bonds under terms and conditions determined by the  
12      authority and use the proceeds of the bonds to acquire any  
13      obligations issued by the northwest Indiana regional development  
14      authority established by IC 36-7.5-2-1; **and**  
15      **(3) after December 31, 2009, issue bonds under terms and**  
16      **conditions determined by the authority and use the proceeds**  
17      **of the bonds to acquire any obligations issued by either the**  
18      **commuter rail service board established under IC 8-24-5 or**  
19      **the regional demand and scheduled bus service board**  
20      **established under IC 8-24-6."**  
21      Page 135, between lines 41 and 42, begin a new paragraph and  
22      insert:  
23      "SECTION 73. IC 5-11-10-1, AS AMENDED BY P.L.2-2007,  
24      SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

JANUARY 1, 2010]: Sec. 1. (a) This section applies to the state and its political subdivisions. However, this section does not apply to the following:

(1) A state educational institution, including Ivy Tech Community College **of Indiana**.

(2) A municipality (as defined in IC 36-1-2-11).

(3) A county.

(4) An airport authority operating in a consolidated city.

(5) A capital improvements board of managers operating in a consolidated city.

(6) A board of directors of a public transportation corporation operating in a consolidated city.

(7) A municipal corporation organized under IC 16-22-8-6.

(8) A public library.

(9) A library services authority.

(10) A hospital organized under IC 16-22 or a hospital organized under IC 16-23.

(11) A school corporation (as defined in IC 36-1-2-17).

(12) A regional water or sewer district organized under IC 13-26 or under IC 13-3-2 (before its repeal).

(13) A municipally owned utility (as defined in IC 8-1-2-1).

(14) A board of an airport authority under IC 8-22-3.

(15) A conservancy district.

(16) A board of aviation commissioners under IC 8-22-2.

(17) A public transportation corporation under IC 36-9-4.

(18) A commuter transportation district under IC 8-5-15.

(19) A solid waste management district established under IC 13-21 or IC 13-9.5 (before its repeal).

(20) A county building authority under IC 36-9-13.

(21) A soil and water conservation district established under IC 14-32.

(22) The northwestern Indiana regional planning commission established by IC 36-7-7.6-3.

**(23) The commuter rail service board established under IC 8-24-5.**

**(24) The regional demand and scheduled bus service board established under IC 8-24-6.**

(b) No warrant or check shall be drawn by a disbursing officer in payment of any claim unless the same has been fully itemized and its correctness properly certified to by the claimant or some authorized person in the claimant's behalf, and filed and allowed as provided by law.

(c) The certificate provided for in subsection (b) is not required for:

(1) claims rendered by a public utility for electric, gas, steam, water, or telephone services, the charges for which are regulated by a governmental body;

- (2) a warrant issued by the auditor of state under IC 4-13-2-7(b);
- (3) a check issued by a special disbursing officer under IC 4-13-2-20(g); or
- (4) a payment of fees under IC 36-7-11.2-49(b) or IC 36-7-11.3-43(b).

(d) The disbursing officer shall issue checks or warrants for all claims which meet all of the requirements of this section. The disbursing officer does not incur personal liability for disbursements:

- (1) processed in accordance with this section; and
- (2) for which funds are appropriated and available.

(e) The certificate provided for in subsection (b) must be in the following form:

I hereby certify that the foregoing account is just and correct, that the amount claimed is legally due, after allowing all just credits, and that no part of the same has been paid.

SECTION 74. IC 5-11-10-1.6, AS AMENDED BY P.L.169-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 1.6. (a) As used in this section, "governmental entity" refers to any of the following:

- (1) A municipality (as defined in IC 36-1-2-11).
- (2) A school corporation (as defined in IC 36-1-2-17), including a school extracurricular account.
- (3) A county.
- (4) A regional water or sewer district organized under IC 13-26 or under IC 13-3-2 (before its repeal).
- (5) A municipally owned utility that is subject to IC 8-1.5-3 or IC 8-1.5-4.
- (6) A board of an airport authority under IC 8-22-3.
- (7) A board of aviation commissioners under IC 8-22-2.
- (8) A conservancy district.
- (9) A public transportation corporation under IC 36-9-4.
- (10) A commuter transportation district under IC 8-5-15.
- (11) The state.
- (12) A solid waste management district established under IC 13-21 or IC 13-9.5 (before its repeal).
- (13) A levee authority established under IC 14-27-6.
- (14) A county building authority under IC 36-9-13.
- (15) A soil and water conservation district established under IC 14-32.
- (16) The northwestern Indiana regional planning commission established by IC 36-7-7.6-3.
- (17) The commuter rail service board established under IC 8-24-5.**
- (18) The regional demand and scheduled bus service board established under IC 8-24-6.**

(b) As used in this section, "claim" means a bill or an invoice

1 submitted to a governmental entity for goods or services.

2 (c) The fiscal officer of a governmental entity may not draw a  
3 warrant or check for payment of a claim unless:

- 4 (1) there is a fully itemized invoice or bill for the claim;  
5 (2) the invoice or bill is approved by the officer or person  
6 receiving the goods and services;  
7 (3) the invoice or bill is filed with the governmental entity's fiscal  
8 officer;  
9 (4) the fiscal officer audits and certifies before payment that the  
10 invoice or bill is true and correct; and  
11 (5) payment of the claim is allowed by the governmental entity's  
12 legislative body or the board or official having jurisdiction over  
13 allowance of payment of the claim.

14 This subsection does not prohibit a school corporation, with prior  
15 approval of the board having jurisdiction over allowance of payment of  
16 the claim, from making payment in advance of receipt of services as  
17 allowed by guidelines developed under IC 20-20-13-10. This  
18 subsection does not prohibit a municipality from making meal expense  
19 advances to a municipal employee who will be traveling on official  
20 municipal business if the municipal fiscal body has adopted an  
21 ordinance allowing the advance payment, specifying the maximum  
22 amount that may be paid in advance, specifying the required invoices  
23 and other documentation that must be submitted by the municipal  
24 employee, and providing for reimbursement from the wages of the  
25 municipal employee if the municipal employee does not submit the  
26 required invoices and documentation.

27 (d) The fiscal officer of a governmental entity shall issue checks or  
28 warrants for claims by the governmental entity that meet all of the  
29 requirements of this section. The fiscal officer does not incur personal  
30 liability for disbursements:

- 31 (1) processed in accordance with this section; and  
32 (2) for which funds are appropriated and available.

33 (e) The certification provided for in subsection (c)(4) must be on a  
34 form prescribed by the state board of accounts."

35 Page 264, between lines 48 and 49, begin a new paragraph and  
36 insert:

37 "SECTION 239. IC 6-3.5-7-13.1, AS AMENDED BY  
38 P.L.146-2008, SECTION 347, IS AMENDED TO READ AS  
39 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13.1. (a) The fiscal  
40 officer of each county, city, or town for a county in which the county  
41 economic development tax is imposed shall establish an economic  
42 development income tax fund. Except as provided in sections 23, 25,  
43 26, and 27 of this chapter, the revenue received by a county, city, or  
44 town under this chapter shall be deposited in the unit's economic  
45 development income tax fund.

46 (b) As used in this subsection, "homestead" means a homestead that

1 is eligible for a standard deduction under IC 6-1.1-12-37. Except as  
 2 provided in sections 15, 23, 25, 26, and 27 of this chapter, revenues  
 3 from the county economic development income tax may be used as  
 4 follows:

5 (1) By a county, city, or town for economic development projects,  
 6 for paying, notwithstanding any other law, under a written  
 7 agreement all or a part of the interest owed by a private developer  
 8 or user on a loan extended by a financial institution or other  
 9 lender to the developer or user if the proceeds of the loan are or  
 10 are to be used to finance an economic development project, for  
 11 the retirement of bonds under section 14 of this chapter for  
 12 economic development projects, for leases under section 21 of  
 13 this chapter, or for leases or bonds entered into or issued prior to  
 14 the date the economic development income tax was imposed if  
 15 the purpose of the lease or bonds would have qualified as a  
 16 purpose under this chapter at the time the lease was entered into  
 17 or the bonds were issued.

18 (2) By a county, city, or town for:

19 (A) the construction or acquisition of, or remedial action with  
 20 respect to, a capital project for which the unit is empowered to  
 21 issue general obligation bonds or establish a fund under any  
 22 statute listed in IC 6-1.1-18.5-9.8;

23 (B) the retirement of bonds issued under any provision of  
 24 Indiana law for a capital project;

25 (C) the payment of lease rentals under any statute for a capital  
 26 project;

27 (D) contract payments to a nonprofit corporation whose  
 28 primary corporate purpose is to assist government in planning  
 29 and implementing economic development projects;

30 (E) operating expenses of a governmental entity that plans or  
 31 implements economic development projects;

32 (F) to the extent not otherwise allowed under this chapter,  
 33 funding substance removal or remedial action in a designated  
 34 unit; or

35 (G) funding of a revolving fund established under  
 36 IC 5-1-14-14.

37 (3) By a county, city, or town for any lawful purpose for which  
 38 money in any of its other funds may be used.

39 (4) By a city or county described in IC 36-7.5-2-3(b) for making  
 40 transfers required by IC 36-7.5-4-2. If the county economic  
 41 development income tax rate is increased after April 30, 2005, in  
 42 a county having a population of more than one hundred forty-five  
 43 thousand (145,000) but less than one hundred forty-eight  
 44 thousand (148,000), the first three million five hundred thousand  
 45 dollars (\$3,500,000) of the tax revenue that results each year from  
 46 the tax rate increase shall be used by the county **or by eligible**

**municipalities (as defined in IC 36-7.5-1-11.3) in the county** only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. **If a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000) ceases to be a member of the northwest Indiana regional development authority under IC 36-7.5 but two (2) or more municipalities in the county have become members of the northwest Indiana regional development authority as authorized by IC 36-7.5-2-3(i), the county treasurer shall continue to transfer the three million five hundred thousand dollars (\$3,500,000) to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county.** In a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000), all of the tax revenue that results each year from the tax rate increase that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for homestead credits under subdivision (5). (5) This subdivision applies only in a county having a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000). All of the tax revenue that results each year from a tax rate increase described in subdivision (4) that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for homestead credits under this subdivision. The following apply to homestead credits provided under this subdivision:

- (A) The homestead credits must be applied uniformly to provide a homestead credit for homesteads in the county, city, or town.
- (B) The homestead credits shall be treated for all purposes as property tax levies.
- (C) The homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and

- 1 credits that apply to the amount owed under IC 6-1.1.  
2 (D) The department of local government finance shall  
3 determine the homestead credit percentage for a particular  
4 year based on the amount of county economic development  
5 income tax revenue that will be used under this subdivision to  
6 provide homestead credits in that year.
- 7 (6) This subdivision applies only in a county having a population  
8 of more than four hundred thousand (400,000) but less than seven  
9 hundred thousand (700,000). A county or a city or town in the  
10 county may use county economic development income tax  
11 revenue to provide homestead credits in the county, city, or town.  
12 The following apply to homestead credits provided under this  
13 subdivision:
- 14 (A) The county, city, or town fiscal body must adopt an  
15 ordinance authorizing the homestead credits. The ordinance  
16 must:
- 17 (i) be adopted before September 1 of a year to apply to  
18 property taxes first due and payable in the following year;  
19 and  
20 (ii) specify the amount of county economic development  
21 income tax revenue that will be used to provide homestead  
22 credits in the following year.
- 23 (B) A county, city, or town fiscal body that adopts an  
24 ordinance under this subdivision must forward a copy of the  
25 ordinance to the county auditor and the department of local  
26 government finance not more than thirty (30) days after the  
27 ordinance is adopted.
- 28 (C) The homestead credits must be applied uniformly to  
29 increase the homestead credit under IC 6-1.1-20.9 for  
30 homesteads in the county, city, or town (for property taxes first  
31 due and payable before January 1, 2009) or to provide a  
32 homestead credit for homesteads in the county, city, or town  
33 (for property taxes first due and payable after December 31,  
34 2008).
- 35 (D) The homestead credits shall be treated for all purposes as  
36 property tax levies.
- 37 (E) The homestead credits shall be applied to the net property  
38 taxes due on the homestead after the application of all other  
39 assessed value deductions or property tax deductions and  
40 credits that apply to the amount owed under IC 6-1.1.
- 41 (F) The department of local government finance shall  
42 determine the homestead credit percentage for a particular  
43 year based on the amount of county economic development  
44 income tax revenue that will be used under this subdivision to  
45 provide homestead credits in that year.
- 46 (7) For a regional venture capital fund established under section

13.5 of this chapter or a local venture capital fund established under section 13.6 of this chapter.

(8) This subdivision applies only to a county:

(A) that has a population of more than one hundred ten thousand (110,000) but less than one hundred fifteen thousand (115,000); and

(B) in which:

(i) the county fiscal body has adopted an ordinance under IC 36-7.5-2-3(e) providing that the county is joining the northwest Indiana regional development authority; and

(ii) the fiscal body of the city described in IC 36-7.5-2-3(e) has adopted an ordinance under IC 36-7.5-2-3(e) providing that the city is joining the development authority.

Revenue from the county economic development income tax may be used by a county or a city described in this subdivision for making transfers required by IC 36-7.5-4-2. In addition, if the county economic development income tax rate is increased after June 30, 2006, in the county, the first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. All of the tax revenue that results each year from the tax rate increase that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for homestead credits under subdivision (9).

(9) This subdivision applies only to a county described in subdivision (8). All of the tax revenue that results each year from a tax rate increase described in subdivision (8) that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for homestead credits under this subdivision. The following apply to homestead credits provided under this subdivision:

(A) The homestead credits must be applied uniformly to provide a homestead credit for homesteads in the county, city, or town.

(B) The homestead credits shall be treated for all purposes as property tax levies.



(C) The homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.

(D) The department of local government finance shall determine the homestead credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to provide homestead credits in that year.

(c) As used in this section, an economic development project is any project that:

(1) the county, city, or town determines will:

(A) promote significant opportunities for the gainful employment of its citizens;

(B) attract a major new business enterprise to the unit; or

(C) retain or expand a significant business enterprise within the unit; and

(2) involves an expenditure for:

(A) the acquisition of land;

(B) interests in land;

(C) site improvements;

(D) infrastructure improvements;

(E) buildings;

(F) structures;

(G) rehabilitation, renovation, and enlargement of buildings and structures;

(H) machinery;

(I) equipment;

(J) furnishings;

(K) facilities;

(L) administrative expenses associated with such a project, including contract payments authorized under subsection (b)(2)(D);

(M) operating expenses authorized under subsection (b)(2)(E); or

(N) to the extent not otherwise allowed under this chapter, substance removal or remedial action in a designated unit;

or any combination of these.

(d) If there are bonds outstanding that have been issued under section 14 of this chapter or leases in effect under section 21 of this chapter, a county, city, or town may not expend money from its economic development income tax fund for a purpose authorized under subsection (b)(3) in a manner that would adversely affect owners of the outstanding bonds or payment of any lease rentals due."

Page 288, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 264. IC 6-8.1-1-1, AS AMENDED BY P.L.1-2009, SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. "Listed taxes" or "taxes" includes only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the riverboat admissions tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13); the slot machine wagering tax (IC 4-35-8); the type II gambling game excise tax (IC 4-36-9); the gross income tax (IC 6-2.1) (repealed); the utility receipts and utility services use taxes (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8) (repealed); the county adjusted gross income tax (IC 6-3.5-1.1); the county option income tax (IC 6-3.5-6); the county economic development income tax (IC 6-3.5-7); the auto rental excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative fuel permit fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5); the commercial vehicle excise tax (IC 6-6-5.5); the excise tax imposed on recreational vehicles and truck campers (IC 6-6-5.1); the hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various food and beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); **the regional transportation improvement income tax (IC 8-24-17)**; the oil inspection fee (IC 16-44-2); the emergency and hazardous chemical inventory form fee (IC 6-6-10); the penalties assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage tank fee (IC 13-23); the solid waste management fee (IC 13-20-22); and any other tax or fee that the department is required to collect or administer."

Page 301, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 281. IC 8-5-15-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) The district shall be supervised and managed by a board of trustees, which consists of the following:

(1) Four (4) members, one (1) from each county that is a member of the district, appointed by that county's board of county commissioners. **In the case of a member appointed or reappointed under this subdivision after December 31, 2009, the member must be a member of the board of county commissioners of the county that the member represents.**

(2) Four (4) members, one (1) from each county that is a member of the district, each of whom is the president of that county's

1 county council or another council member designated by the  
2 president as a board member.

3 (3) One (1) member representing the rest of the state, appointed  
4 by the governor. **The term of a member appointed or**  
5 **reappointed under this subdivision ends December 31, 2009.**

6 (4) One (1) passenger member appointed by the governor. The  
7 member appointed under this subdivision must be selected from  
8 passengers who have submitted a letter of interest to the governor.  
9 To be considered for this position, a passenger must submit a  
10 letter of interest to the governor during a two (2) week period that  
11 begins sixty (60) days before the expiration of the term of the  
12 member appointed under this subdivision. A member of the board  
13 serving under this subdivision is not required to submit a letter of  
14 interest to be eligible for appointment to a successive term. **The**  
15 **term of a member appointed or reappointed under this**  
16 **subdivision ends December 31, 2009.**

17 (5) One (1) member who is an employee of the district, appointed  
18 by the governor from a list of names submitted by the labor  
19 unions representing the employees of the district. Each labor  
20 union representing employees of the district may submit one (1)  
21 name to be included on the list of names under this subdivision.

22 **The term of a member appointed or reappointed under this**  
23 **subdivision ends December 31, 2009.**

24 (b) A member shall serve for a term of two (2) years from the  
25 beginning of the term for which the member was appointed and until  
26 a successor has qualified for the office. Each member shall serve at the  
27 pleasure of the appointing authority but is eligible for reappointment  
28 for successive terms.

29 (c) The members of the board shall elect for a one (1) year term:

- 30 (1) one (1) member as chairman;
- 31 (2) one (1) member to serve as vice chairman;
- 32 (3) one (1) member to serve as secretary; and
- 33 (4) one (1) member to serve as treasurer.

34 (d) Ninety (90) days before the expiration of the term of the board  
35 member appointed under subsection (a)(4), the district shall post in  
36 each commuter station in the district a notice of the opening on the  
37 board of trustees. The notice must announce the opening for a  
38 passenger member on the board of trustees and provide information on  
39 submitting a letter of interest. The notice must state the period in which  
40 the passenger must submit a letter of interest. The notice must remain  
41 posted until the expiration of the two (2) week period described in  
42 subsection (a)(4).

43 (e) A member appointed under subsection (a)(4) or (a)(5) may not:

- 44 (1) vote on issues involving perceived or actual financial conflicts
- 45 of interest, including personnel issues, collective bargaining, and
- 46 assessment or levy of taxes; or

(2) participate in an executive session of the board under IC 5-14-1.5-6.1, on issues regarding:

(A) the discussion of strategy for:

(i) collective bargaining; or

(ii) the initiation of litigation or litigation that is either pending or has been threatened specifically in writing;

as described in IC 5-14-1.5-6.1(b)(2); or

(B) the discussion of job performance evaluation of individual employees, except for a discussion of the salary, compensation, or benefits of employees during a budget process, as described in IC 5-14-1.5-6.1(b)(9).

(f) The members appointed under subsection (a)(4) and (a)(5) must reside in different counties."

Page 305, between lines 9 and 10, begin a new paragraph and insert: "SECTION 292. IC 8-22-3-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 11. The board may do all acts necessary or reasonably incident to carrying out the purposes of this chapter, including the following:

(1) As a municipal corporation, to sue and be sued in its own name.

(2) To have all the powers and duties conferred by statute upon boards of aviation commissioners. The board supersedes all boards of aviation commissioners within the district. The board has exclusive jurisdiction within the district.

(3) To protect all property owned or managed by the board.

(4) To adopt an annual budget and levy taxes in accordance with this chapter.

(A) The board may not levy taxes on property in excess of the following rate schedule, except as provided in sections 17 and 25 of this chapter:

Total Assessed Property Valuation	Rate Per \$100 Of Assessed Valuation
\$300 million or less	\$0.10
More than \$300 million but not more than \$450 million	\$0.0833
More than \$450 million but not more than \$600 million	\$0.0667
More than \$600 million but not more than \$900 million	\$0.05
More than \$900 million	\$0.0333

(B) Clause (A) does not apply to an authority that was established under IC 19-6-2 or IC 19-6-3 (before their repeal on April 1, 1980).

(C) The board of an authority that was established under IC 19-6-3 (before its repeal on April 1, 1980) may levy taxes on property not in excess of six and sixty-seven hundredths

- 1           cents (\$0.0667) on each one hundred dollars (\$100) of  
2           assessed valuation.
- 3           (5) To incur indebtedness in the name of the authority in  
4           accordance with this chapter.
- 5           (6) To adopt administrative procedures, rules, and regulations.
- 6           (7) To acquire property, real, personal, or mixed, by deed,  
7           purchase, lease, condemnation, or otherwise and dispose of it for  
8           use or in connection with or for administrative purposes of the  
9           airport; to receive gifts, donations, bequests, and public trusts and  
10          to agree to conditions and terms accompanying them and to bind  
11          the authority to carry them out; to receive and administer federal  
12          or state aid; and to erect buildings or structures that may be  
13          needed to administer and carry out this chapter.
- 14          (8) To determine matters of policy regarding internal organization  
15          and operating procedures not specifically provided for otherwise.
- 16          (9) To adopt a schedule of reasonable charges and to collect them  
17          from all users of facilities and services within the district.
- 18          (10) To purchase supplies, materials, and equipment to carry out  
19          the duties and functions of the board in accordance with  
20          procedures adopted by the board.
- 21          (11) To employ personnel that are necessary to carry out the  
22          duties, functions, and powers of the board.
- 23          (12) To establish an employee pension plan. The board may, upon  
24          due investigation, authorize and begin a fair and reasonable  
25          pension or retirement plan and program for personnel, the cost to  
26          be borne by either the authority or by the employee or by both, as  
27          the board determines. If the authority was established under  
28          IC 19-6-2 (before its repeal on April 1, 1980), the entire cost must  
29          be borne by the authority, and ordinances creating the plan or  
30          making changes in it must be approved by the mayor of the city.  
31          The plan may be administered and funded by a trust fund or by  
32          insurance purchased from an insurance company licensed to do  
33          business in Indiana or by a combination of them. The board may  
34          also include in the plan provisions for life insurance, disability  
35          insurance, or both.
- 36          (13) To sell surplus real or personal property in accordance with  
37          law. If the board negotiates an agreement to sell trees situated in  
38          woods or forest areas owned by the board, the trees are considered  
39          to be personal property of the board for severance or sale.
- 40          (14) To adopt and use a seal.
- 41          (15) To acquire, establish, construct, improve, equip, maintain,  
42          control, lease, and regulate municipal airports, landing fields, and  
43          other air navigation facilities, either inside or outside the district;  
44          to acquire by lease (with or without the option to purchase)  
45          airports, landing fields, or navigation facilities, and any structures,  
46          equipment, or related improvements; and to erect, install,

1 construct, and maintain at the airport or airports facilities for the  
2 servicing of aircraft and for the comfort and accommodation of air  
3 travelers and the public. The Indiana department of transportation  
4 must grant its approval before land may be purchased for the  
5 establishment of an airport or landing field and before an airport  
6 or landing field may be established.

7 (16) To fix and determine exclusively the uses to which the  
8 airport lands may be put. All uses must be necessary or desirable  
9 to the airport or the aviation industry and must be compatible with  
10 the uses of the surrounding lands as far as practicable.

11 (17) To elect a secretary from its membership, or to employ a  
12 secretary, an airport director, superintendents, managers, a  
13 treasurer, engineers, surveyors, attorneys, clerks, guards,  
14 mechanics, laborers, and all employees the board considers  
15 expedient, and to prescribe and assign their respective duties and  
16 authorities and to fix and regulate the compensation to be paid to  
17 the persons employed by it in accordance with the authority's  
18 appropriations. All employees shall be selected irrespective of  
19 their political affiliations.

20 (18) To make all rules and regulations, consistent with laws  
21 regarding air commerce, for the management and control of its  
22 airports, landing fields, air navigation facilities, and other  
23 property under its control.

24 (19) To acquire by lease the use of an airport or landing field for  
25 aircraft pending the acquisition and improvement of an airport or  
26 landing field.

27 (20) To manage and operate airports, landing fields, and other air  
28 navigation facilities acquired or maintained by an authority; to  
29 lease all or part of an airport, landing field, or any buildings or  
30 other structures, and to fix, charge, and collect rentals, tolls, fees,  
31 and charges to be paid for the use of the whole or a part of the  
32 airports, landing fields, or other air navigation facilities by aircraft  
33 landing there and for the servicing of the aircraft; to construct  
34 public recreational facilities that will not interfere with air  
35 operational facilities; to fix, charge, and collect fees for public  
36 admissions and privileges; and to make contracts for the operation  
37 and management of the airports, landing fields, and other air  
38 navigation facilities; and to provide for the use, management, and  
39 operation of the air navigation facilities through lessees, its own  
40 employees, or otherwise. Contracts or leases for the maintenance,  
41 operation, or use of the airport or any part of it may be made for  
42 a term not exceeding fifteen (15) years and may be extended for  
43 similar terms of years, except that any parcels of the land of the  
44 airport may be leased for any use connected with the operation  
45 and convenience of the airport for an initial term not exceeding  
46 forty (40) years and may be extended for a period not to exceed

ten (10) years. If a person whose character, experience, and financial responsibility ~~has~~ **have** been determined satisfactory by the board; offers to erect a permanent structure that facilitates and is consistent with the operation, use, and purpose of the airport on land belonging to the airport, a lease may be entered into for a period not to exceed ninety-nine (99) years. However, the board must pass an ordinance to enter into such a lease, The board may not grant an exclusive right for the use of a landing area under its jurisdiction. However, this does not prevent the making of leases in accordance with other provisions of this chapter. All contracts, and leases, are subject to restrictions and conditions that the board prescribes. The authority may lease its property and facilities for any commercial or industrial use it considers necessary and proper, including the use of providing airport motel facilities. **For the airport authority established by the city of Gary, the board may approve a lease, management agreement, or other contract:**

**(A) with a person:**

**(i) who is selected by the board using the procedures under IC 36-1-9.5; and**

**(ii) whose character, experience, and financial responsibility have been determined satisfactory by the board; and**

**(B) to use, plan, design, acquire, construct, reconstruct, improve, extend, expand, lease, operate, repair, manage, maintain, or finance all or any part of the airport and its landing fields, air navigation facilities, and other buildings and structures for a period not to exceed ninety-nine (99) years. However, the board must pass an ordinance to enter into such a lease, management agreement, or other contract. All contracts, leases, and management agreements are subject to restrictions and conditions that the board prescribes. The authority may lease its property and facilities for any commercial or industrial use it considers necessary and proper, including the use of providing airport motel facilities. A lease, management agreement, or other contract entered into under this section or any other provision of this chapter may be entered into without complying with IC 5-23.**

(21) To sell machinery, equipment, or material that is not required for aviation purposes. The proceeds shall be deposited with the treasurer of the authority.

(22) To negotiate and execute contracts for sale or purchase, lease, personal services, materials, supplies, equipment, or any other transaction or business relative to an airport under the board's control and operation. However, whenever the board determines to sell part or all of aviation lands, buildings, or

1 improvements owned by the authority, the sale must be in  
2 accordance with law.

3 (23) To vacate all or parts of roads, highways, streets, or alleys,  
4 whether inside or outside the district, in the manner provided by  
5 statute.

6 (24) To annex lands to itself if the lands are owned by the  
7 authority or are streets, roads, or other public ways.

8 (25) To approve any state, county, city, or other highway, road,  
9 street or other public way, railroad, power line, or other  
10 right-of-way to be laid out or opened across an airport or in such  
11 proximity as to affect the safe operation of the airport.

12 (26) To construct drainage and sanitary sewers with connections  
13 and outlets as are necessary for the proper drainage and  
14 maintenance of an airport or landing field acquired or maintained  
15 under this chapter, including the necessary buildings and  
16 improvements and for the public use of them in the same manner  
17 that the authority may construct sewers and drains. However, with  
18 respect to the construction of drains and sanitary sewers beyond  
19 the boundaries of the airport or landing field, the board shall  
20 proceed in the same manner as private owners of property and  
21 may institute proceedings and negotiate with the departments,  
22 bodies, and officers of an eligible entity to secure the proper  
23 orders and approvals; and to order a public utility or public  
24 service corporation or other person to remove or to install in  
25 underground conduits wires, cables, and power lines passing  
26 through or over the airport or landing field or along the borders or  
27 within a reasonable distance that may be determined to be  
28 necessary for the safety of operations, upon payment to the utility  
29 or other person of due compensation for the expense of the  
30 removal or reinstallation. The board must consent before any  
31 franchise may be granted by state or local authorities for the  
32 construction of or maintenance of railway, telephone, telegraph,  
33 electric power, pipe, or conduit line upon, over, or through land  
34 under the control of the board or within a reasonable distance of  
35 land that is necessary for the safety of operation. The board must  
36 also consent before overhead electric power lines carrying a  
37 voltage of more than four thousand four hundred (4,400) volts and  
38 having poles, standards, or supports over thirty (30) feet in height  
39 within one-half (1/2) mile of a landing area acquired or  
40 maintained under this chapter may be installed.

41 (27) To contract with any other state agency or instrumentality or  
42 any political subdivision for the rendition of services, the rental  
43 or use of equipment or facilities, or the joint purchase and use of  
44 equipment or facilities that are necessary for the operation,  
45 maintenance, or construction of an airport operated under this  
46 chapter.



(28) To provide air transportation in furtherance of the duties and responsibilities of the board.

(29) To promote or encourage aviation-related trade or commerce at the airports that it operates.

SECTION 293. IC 8-22-3-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 23. (a) The board shall annually prepare a budget for the purpose of operating and maintenance expenditures of the authority and shall calculate the tax levy necessary to provide funds for the operating expenditures necessary to carry out the powers, duties, and functions of the authority. The budget must be prepared and submitted:

(1) before or at the same time;

(2) in the same manner; and

(3) with notice;

as provided by the statutes relating to the preparation of budgets by eligible entities. The budget is subject to the same review by the county tax adjustment board and the department of local government finance as exists under the general statutes relating to budgets of eligible entities.

(b) If the eligible entity that established the authority is a county, city, or town, the fiscal body of that entity may review and modify the authority's operating and maintenance budget and the tax levy to meet it, in the same manner as the budgets and tax levies of executive departments of that entity are reviewed and modified. This power includes the power to reduce any item of salary.

(c) Whenever a tax levy is required to finance the budget of an authority that was established by a city or town, the fiscal body of the county also may review the budget and tax levy of the authority, unless the district:

(1) lies wholly within, or coincides with, the boundaries of a city or town;

(2) is not the recipient of funds from a county-wide tax levy made specifically for the operating and maintenance budget for that authority; and

(3) was established by the fiscal body of the city or town, acting independently.

However, the budget and tax levy of the authority are subject to review or modification by the fiscal body of the city or town with which it shares territory, in the same manner as the budgets and tax levies of the executive departments of that city or town are reviewed or modified.

(d) If an authority was established by another eligible entity or by two (2) or more eligible entities acting jointly, its operating and maintenance budget and the tax levy to meet it is subject to review and modification by the same body that reviews and modifies the budget of each of those entities in the same manner as the budgets and tax levies of those entities, including reduction of any item of salary.

1       (e) This subsection applies only to the airport authority  
 2 established by the city of Gary. The following provisions apply if  
 3 the board enters into a lease, management agreement, or other  
 4 contract under an application approved by the Federal Aviation  
 5 Administration under which the lessee or other operator agrees to  
 6 lease, manage, or operate all or substantially all of the airport and  
 7 its landing fields, air navigation facilities, and other buildings and  
 8 structures owned by the authority:

9       (1) The board shall, to the extent permitted by federal law or  
 10 any grant agreement, make distributions to the city of Gary  
 11 from the payments received under the lease, management  
 12 agreement, or other contract.

13       (2) The distributions to the city of Gary shall be made in  
 14 installments and on the dates determined by the fiscal body of  
 15 the city and shall be paid to the fiscal officer of the city for  
 16 deposit in the city's general fund.

17       (3) Money distributed to the city of Gary under this  
 18 subsection may be used for any legal or corporate purpose of  
 19 the city and may not be used to reduce the city's maximum  
 20 levy under IC 6-1.1-18.5, but may be used at the discretion of  
 21 the city fiscal body to reduce the property tax levy of the city  
 22 for a particular year.

23       (f) The general assembly finds the following:

24       (1) The city of Gary faces:

25           (A) unique and distinct challenges due to high levels of  
 26 unemployment, the character and occupancy of real estate,  
 27 and the general economic conditions of the community;  
 28 and

29           (B) unique and distinct opportunities related to  
 30 transportation and economic development;

31 that are different in scope and type than those faced by other  
 32 units of local government in Indiana.

33       (2) A unique approach is required to fully take advantage of  
 34 the economic development potential of the city of Gary, the  
 35 Gary/Chicago International Airport, and the Lake Michigan  
 36 shoreline.

37       (3) The powers and responsibilities provided to the airport  
 38 authority established by the city of Gary by subsection (e) and  
 39 the other provisions of this chapter are appropriate and  
 40 necessary to carry out the public purposes of encouraging  
 41 economic development and further facilitating the provision  
 42 of air transportation services and economic development  
 43 projects in the city of Gary.

44       (4) The exercise of the powers and responsibilities granted to  
 45 the airport authority established by the city of Gary by  
 46 subsection (e) and the other provisions of this chapter is  
 47 critical to economic development not only in the city of Gary,

1           **but throughout northwest Indiana, and is a public purpose.**  
 2           **(5) Economic development benefits the health and welfare of**  
 3           **the people of Indiana, is a public use and purpose for which**  
 4           **public money may be spent, and is of public utility and**  
 5           **benefit.**

6           SECTION 294. IC 8-22-3-31 IS AMENDED TO READ AS  
 7           FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 31. (a) The authority,  
 8           acting by and through its board under IC 8-21-8, may accept, receive,  
 9           and receipt for federal, other public, or private monies for the  
 10          acquisition, construction, enlargement, improvement, maintenance,  
 11          equipment, or operation of airports, other air navigation facilities, and  
 12          sites for them, and comply with federal laws made for the expenditure  
 13          of federal monies upon airports and other air navigation facilities.

14          (b) Subject to IC 8-21-8, the board has exclusive power to submit to  
 15          the proper state and federal agencies applications for grants of funds  
 16          for airport development and to make or execute representations,  
 17          assurances and contracts, to enter into covenants and agreements with  
 18          state or federal agency or agencies relative to the development of an  
 19          airport, and to comply with all federal and state laws pertaining to the  
 20          acquisition, development, operation, and administration of airports and  
 21          properties by the authority.

22          (c) **This subsection applies only to the airport authority**  
 23          **established by the city of Gary. The authority may assign the**  
 24          **powers described in this section to a lessee or other operator with**  
 25          **whom it enters into a lease, management agreement, or other**  
 26          **contract under section 11(20) of this chapter if the board has**  
 27          **determined that the lessee or other operator has the expertise and**  
 28          **experience to operate the facilities of the authority in accordance**  
 29          **with prudent airport operating standards."**

30          Page 305, between lines 29 and 30, begin a new paragraph and  
 31          insert:

32          "SECTION 296. IC 8-24 IS ADDED TO THE INDIANA CODE AS  
 33          A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
 34          2009]:

## 35           **ARTICLE 24. NORTHERN INDIANA REGIONAL** 36           **TRANSPORTATION DISTRICT**

### 37           **Chapter 1. Purpose; Definitions**

38           **Sec. 1. The purpose of this article is to provide a flexible means**  
 39           **of planning, designing, acquiring, constructing, enlarging,**  
 40           **improving, renovating, maintaining, equipping, financing,**  
 41           **operating, and supporting public transportation systems that can**  
 42           **be adapted to the unique circumstances existing in northern**  
 43           **Indiana.**

44           **Sec. 2. The definitions in this chapter apply throughout this**  
 45           **article.**

46           **Sec. 3. "Adjusted gross income" has the meaning set forth in**  
 47           **IC 6-3-1-3.5(a).**

1       **Sec. 4. "Board"** refers to the regional funding, service area, and  
 2       **coordination board** established under IC 8-24-4 for the district.

3       **Sec. 5. "Bonds"** means, except as otherwise provided, bonds,  
 4       **notes, or other evidences of indebtedness** issued by either the  
 5       **commuter rail service board** established under IC 8-24-5 or the bus  
 6       **service board** established under IC 8-24-6.

7       **Sec. 5.5. "Bus service advisory board"** refers to the bus service  
 8       **advisory board** established by IC 8-24-6-15.

9       **Sec. 6. "Bus service board"** refers to the regional demand and  
 10       **scheduled bus service board** established under IC 8-24-6.

11       **Sec. 7. "Bus service division"** refers to the bus service division  
 12       **established under IC 8-24-2.**

13       **Sec. 7.5. "Commuter rail service advisory board"** refers to the  
 14       **commuter rail service advisory board** established by IC 8-24-5-5.

15       **Sec. 8. "Commuter rail service board"** refers to the board of  
 16       **trustees of the northern Indiana commuter transportation district.**

17       **Sec. 9. "Commuter rail service division"** refers to the northern  
 18       **Indiana commuter transportation district.**

19       **Sec. 10. "County taxpayer",** as it relates to a county for a year  
 20       **under IC 8-24-17, means any individual who resides in a member**  
 21       **county on the date specified in IC 8-24-17-11.**

22       **Sec. 11. "District"** refers to the northern Indiana regional  
 23       **transportation district established under IC 8-24-2.**

24       **Sec. 11.5. "District advisory board"** refers to the regional  
 25       **transportation district advisory board** established by IC 8-24-4-9.

26       **Sec. 12. "District territory"** refers to the area in all member  
 27       **counties.**

28       **Sec. 13. "Executive director"** refers to the executive director of  
 29       **the district.**

30       **Sec. 14. "Improvement tax"** refers to the tax that may be  
 31       **imposed under IC 8-24-17.**

32       **Sec. 15. "Member county"** refers to a county located in the  
 33       **district with respect to public commuter rail transportation and to**  
 34       **Lake County and Porter County with respect to public bus**  
 35       **transportation.**

36       **Sec. 16. "Project"** refers to an action taken to:

- 37       (1) plan;
- 38       (2) design;
- 39       (3) acquire;
- 40       (4) construct;
- 41       (5) enlarge;
- 42       (6) improve;
- 43       (7) renovate;
- 44       (8) maintain;
- 45       (9) equip; or
- 46       (10) operate;

47       **a public transportation system.**

1       **Sec. 17. "Public transportation agency" has the meaning set**  
 2 **forth in IC 36-9-1-5.5.**

3       **Sec. 18. "Public transportation system" means any common**  
 4 **carrier of passengers for hire.**

5       **Sec. 19. "Service division" refers to the commuter rail service**  
 6 **division or the bus service division.**

7       **Sec. 20. "Service board" refers to the governing body of the**  
 8 **commuter rail service division or the bus service division.**

9       **Chapter 2. Establishment**

10       **Sec. 1. (a) The northern Indiana regional transportation district**  
 11 **with a rail service division and a bus service division is established.**

12       **(b) The district consists of all the incorporated and**  
 13 **unincorporated territory in all member counties. A county remains**  
 14 **a member of the district so long as the district exists.**

15       **Sec. 2. The district shall do the following:**

16           **(1) Review the strategic plans of each service division and**  
 17 **require modifications to the plans to the extent that the board**  
 18 **determines necessary to eliminate duplication of services and**  
 19 **to enhance the integration of public transportation**  
 20 **throughout the district territory.**

21           **(2) Allocate revenues collected under IC 8-24-17 between the**  
 22 **service divisions.**

23           **(3) Receive the reports from the service divisions determined**  
 24 **by the board.**

25           **(4) Assist in the resolution of disputes between the service**  
 26 **divisions brought to the board by either service division.**

27           **(5) Develop performance measures to evaluate and inform the**  
 28 **public about the extent to which the provision of public**  
 29 **transportation in the district territory meets the goals,**  
 30 **objectives, and standards established by each service division.**

31       **Sec. 3. (a) Each service division of the district shall do the**  
 32 **following with respect to public transportation the service division**  
 33 **provides:**

34           **(1) Set goals, objectives, and standards for the division, as**  
 35 **modified by the board for the district under section 2(1) of**  
 36 **this chapter.**

37           **(2) Adopt strategic plans for the division that provide**  
 38 **adequate, efficient, and coordinated public transportation in**  
 39 **the district, as modified under section 2(1) of this chapter.**

40           **(3) Coordinate with the other service division the provision of**  
 41 **public transportation and the investment in public**  
 42 **transportation facilities to enhance the integration of public**  
 43 **transportation throughout the district territory.**

44           **(4) Apply for and receive federal, state, county, and municipal**  
 45 **funds, or private contributions and disburse them for the**  
 46 **purposes of the service division.**

47           **(5) Use money received by the division to fund public**

1 transportation systems provided by the service division.

2 (6) Enter into financing arrangements to establish, improve,  
3 and maintain public transportation facilities operated by the  
4 service division.

5 (7) Employ and enter into employment agreements with the  
6 personnel that the service division determines necessary to  
7 carry out the responsibilities of the service division.

8 (8) On a continuing basis determine the level, nature, and kind  
9 of public transportation that should be provided within the  
10 district territory to meet the plans, goals, objectives, and  
11 standards adopted by the service division.

12 (9) Provide and operate public transportation systems within  
13 the scope of the responsibilities of the service division.

14 (b) The bus service board shall negotiate labor contracts with  
15 labor unions representing employees of the bus service division.

16 (c) The commuter rail service board shall negotiate labor  
17 contracts with labor unions representing employees of the  
18 commuter rail service division.

19 Sec. 4. The northern Indiana commuter transportation district  
20 established under IC 8-5-15 is the commuter rail service division  
21 of the district to carry out the purposes of the northern Indiana  
22 commuter transportation district.

23 Sec. 5. A bus service division of the district is established to  
24 provide a public transportation system in Lake and Porter counties  
25 with the primary objective of transporting passengers over public  
26 highways, streets, and roads. Except to the extent they are  
27 inconsistent with this article, IC 36-9-3 (including IC 36-9-3-22,  
28 IC 36-9-3-23, IC 36-9-3-24, IC 36-9-3-25, IC 36-9-3-26, and  
29 IC 36-9-3-27) applies to the bus service board, the bus service  
30 division, and employees of the bus service division.

31 Sec. 6. On January 1, 2010, subject to this article, the rights,  
32 powers, duties, personnel, liabilities, and obligations of the  
33 following entities operating in the incorporated or unincorporated  
34 areas of Lake County or Porter County are transferred to the bus  
35 service division:

36 (1) An automated transit district established under IC 8-9.5-7.

37 (2) A regional transportation authority established under  
38 IC 36-9-3-2.

39 (3) A regional bus authority under IC 36-9-3-2(c).

40 (4) A public transportation corporation established under  
41 IC 36-9-4.

42 Sec. 7. On January 1, 2010, subject to this article, the rights,  
43 powers, duties, personnel, liabilities, and obligations of a  
44 municipality in Lake County or Porter County to:

45 (1) provide a public transportation system in or outside the  
46 municipality to transport passengers or property over a  
47 public highway, street, or road; and

1           (2) establish and fund a public transportation agency (as  
2           defined in IC 36-9-1-5.5);  
3 are transferred to the bus service division.

4           Sec. 8. A transfer of powers under section 6 or 7 of this chapter  
5 to the bus service division authorizes the bus service division to  
6 impose a property tax, including a property tax pledged before  
7 January 1, 2010, to pay for bonds, loans, other obligations, or lease  
8 rentals related to a public transportation system in Lake County  
9 or Porter County. The property tax may be imposed only in the  
10 area in which the property tax could have been imposed for  
11 property taxes first due and payable in 2010.

12          Sec. 9. Any delinquent property taxes imposed by the entity  
13 before January 1, 2010, and collected after December 31, 2009,  
14 from levies attributable to an appropriation for a public  
15 transportation system transferred to the bus service division or for  
16 a public transportation agency (as defined in IC 36-9-1-5.5) shall  
17 be distributed to the bus service division.

#### 18          Chapter 3. Status

19          Sec. 1. The district is a body corporate and politic. The district  
20 is separate from the state and any other political subdivision, but  
21 the exercise by the district of its powers is an essential  
22 governmental function.

23          Sec. 2. A service division is a body corporate and politic. A  
24 service division is separate from the state and any other political  
25 subdivision, but the exercise by the service division of its powers is  
26 an essential governmental function.

27          Sec. 3. A pledge or mortgage of a service division does not create  
28 an obligation of the state or a political subdivision within the  
29 meaning of the Constitution of the State of Indiana or any statute.

#### 30          Sec. 4. All:

31           (1) property owned by the district or a service division;  
32           (2) revenue of the district or service division; and  
33           (3) bonds issued by the commuter rail division service board  
34 established under IC 8-24-5 or the bus service board  
35 established under IC 8-24-6, the interest on the bonds, the  
36 proceeds received by a holder from the sale of bonds to the  
37 extent of the holder's cost of acquisition, proceeds received  
38 upon redemption before maturity, proceeds received at  
39 maturity, and the receipt of interest in proceeds;  
40 are exempt from taxation in Indiana for all purposes except the  
41 financial institutions tax imposed under IC 6-5.5 or a state  
42 inheritance tax imposed under IC 6-4.1.

43          Sec. 5. All securities issued under this article are exempt from  
44 the registration requirements of IC 23-19 and other securities  
45 registration statutes.

46          Sec. 6. (a) This section does not apply to commuter rail or  
47 interstate public transportation service.

(b) Service provided by the district or a service division within the territory of the district is exempt from regulation by the department of state revenue under IC 8-2.1. This exemption applies to transportation services provided by the district or a service division directly or by grants or purchase of service agreements.

(c) Service provided by the district or a service division by contract or service agreements outside the territory of the district is subject to regulation by the department of state revenue under IC 8-2.1.

(d) Judicial review of a decision by the district may be obtained in the manner prescribed by IC 4-21.5-5.

#### **Chapter 4. District Board and Advisory Board**

**Sec. 1.** The power to govern the district is vested in a regional funding, service area, and coordination board.

**Sec. 2.** The board has the following members:

(1) Four (4) members selected by majority vote of the rail service board from the members of the rail service board. Each of these members must be from a different county.

(2) Three (3) members selected by majority vote of the bus service board from the members of the bus service board. Two (2) of these members must be mayors, and one (1) of these members must be a member of a county fiscal body.

(3) Three (3) nonvoting members as follows:

(A) The president of the Gary airport authority board.

(B) The president of the South Bend airport authority board.

(C) A member appointed by the governor.

**Sec. 3. (a)** The board member appointed by the governor shall serve:

(1) at the pleasure of the governor; and

(2) for a term of two (2) years from the beginning of the term for which the member was appointed and until a successor has qualified for the office.

(b) The board member appointed by the governor is eligible for reappointment for successive terms.

**Sec. 4. (a)** A majority of the board members constitutes a quorum for a meeting.

(b) The board member appointed by the governor shall serve as board chairperson. The members of the board shall elect from its members the following officers for a one (1) year term:

(1) A vice chairperson.

(2) A secretary.

(3) A treasurer.

(c) The affirmative votes of at least a majority of the board members are necessary to authorize any action of the district.

**Sec. 5.** The board shall meet at least quarterly.



1       **Sec. 6. The board chairperson or any two (2) members may call**  
 2       **a meeting of the board. The chairperson shall call the initial**  
 3       **meeting of the board for a date that is not more than thirty (30)**  
 4       **days after the board is initially established.**

5       **Sec. 7. The board may adopt the bylaws and rules that the board**  
 6       **considers necessary for the proper conduct of the board's duties**  
 7       **and the safeguarding of the district's funds and property.**

8       **Sec. 8. A board member is not entitled to receive compensation**  
 9       **for performance of the member's duties. A board member is not**  
 10       **entitled to a per diem from the district for the member's**  
 11       **participation in board meetings.**

12       **Sec. 9. (a) The regional transportation district advisory board**  
 13       **is established. The district advisory board has the following**  
 14       **members:**

15               **(1) One (1) member of the commuter rail service advisory**  
 16               **board who is a commuter rail passenger appointed by the**  
 17               **commuter rail service advisory board.**

18               **(2) One (1) member of the bus service advisory board who is**  
 19               **a bus passenger appointed by the bus service advisory board.**

20               **(3) One (1) member of the commuter rail service advisory**  
 21               **board who is a commuter rail division employee appointed by**  
 22               **the commuter rail service advisory board.**

23               **(4) One (1) member of the bus service advisory board who is**  
 24               **a bus division employee appointed by the bus service advisory**  
 25               **board.**

26       **(b) A member of the district advisory board shall serve for a**  
 27       **term of two (2) years from the beginning of the term for which the**  
 28       **member was appointed and until a successor has qualified for the**  
 29       **office. Each member shall serve at the pleasure of the appointing**  
 30       **authority but is eligible for reappointment for successive terms.**

31       **(c) The members of the district advisory board shall elect for a**  
 32       **one (1) year term:**

33               **(1) one (1) member as chairperson;**

34               **(2) one (1) member to serve as vice chairperson; and**

35               **(3) one (1) member to serve as secretary.**

36       **(d) The district advisory board shall meet:**

37               **(1) at least quarterly at the call of the chairperson of the**  
 38               **district advisory board; or**

39               **(2) as requested by the board of the district.**

40       **(e) The district advisory board shall, as considered necessary by**  
 41       **the district advisory board or as requested by the board of the**  
 42       **district, study issues and make recommendations concerning**  
 43       **matters affecting the district.**

44       **Chapter 5. Commuter Rail Service Board; Commuter Rail**  
 45       **Service Advisory Board; Commuter Rail Service Division**

46       **Sec. 1. The board of trustees of the northern Indiana commuter**  
 47       **transportation district is the service board for the commuter rail**

1 division.

2 Sec. 2. IC 8-5-15 applies to the membership, powers, and  
3 operation of the commuter rail service board.

4 Sec. 3. Subject to this article, the board of trustees of the  
5 northern Indiana commuter transportation district has the  
6 following powers:

7 (1) The powers granted by IC 8-5-15 or any other law to the  
8 board of trustees of a commuter transportation district  
9 established under IC 8-5-15.

10 (2) The powers granted to a commuter rail service board  
11 under this article.

12 Sec. 4. The commuter rail division shall operate under the name  
13 northern Indiana commuter rail district and has the following  
14 powers:

15 (1) The powers granted by IC 8-5-15 or any other law to a  
16 commuter transportation district established under IC 8-5-15.

17 (2) The powers granted to a commuter rail service division  
18 under this article.

19 Sec. 5. (a) The commuter rail service advisory board is  
20 established. The commuter rail service advisory board has the  
21 following members:

22 (1) Two (2) members, each of whom must be a commuter rail  
23 passenger appointed by the commuter rail service board.

24 (2) Two (2) members, each of whom must be a commuter rail  
25 division employee appointed by the commuter rail service  
26 board.

27 (b) The members appointed under subsection (a)(1) must be  
28 selected from passengers who have submitted a letter of interest to  
29 the commuter rail service board. To be considered for this position,  
30 a passenger must submit a letter of interest to the commuter rail  
31 service board during a two (2) week period that begins sixty (60)  
32 days before the expiration of the term of the member to be  
33 appointed. A passenger member of the board is not required to  
34 submit a letter of interest to be eligible for appointment to a  
35 successive term.

36 (c) The members appointed under subsection (a)(2) must be  
37 selected from a list of names submitted by the labor union  
38 representing the employees of the commuter rail service division.

39 (d) A member of the commuter rail service advisory board shall  
40 serve for a term of two (2) years from the beginning of the term for  
41 which the member was appointed and until a successor has  
42 qualified for the office. Each member shall serve at the pleasure of  
43 the appointing authority but is eligible for reappointment for  
44 successive terms.

45 (e) The members of the commuter rail service advisory board  
46 shall elect for a one (1) year term:

47 (1) one (1) member as chairperson;

(2) one (1) member to serve as vice chairperson; and

(3) one (1) member to serve as secretary.

(f) Ninety (90) days before the expiration of the term of the commuter rail service advisory board member appointed under subsection (a)(1), the rail service division shall post in each commuter station in the district a notice of the opening on the commuter rail service advisory board. The notice must announce the opening for two (2) passenger members on the commuter rail service advisory board and provide information on submitting a letter of interest. The notice must state the period in which the passenger must submit a letter of interest. The notice must remain posted until the expiration of the two (2) week period described in subsection (b).

(g) The commuter rail service advisory board shall meet:

(1) at least quarterly at the call of the chairperson of the commuter rail service advisory board; or

(2) as requested by the commuter rail service board.

(h) The commuter rail service advisory board shall, as considered necessary by the commuter rail service advisory board or as requested by the commuter rail service board, study issues and make recommendations concerning matters affecting the rail service division.

#### **Chapter 6. Bus Division Service Board; Bus Service Advisory Board; Bus Service Division**

**Sec. 1.** A regional demand and scheduled bus service board is established for the district. The bus service board is the governing body of the bus service division.

**Sec. 2. (a)** The bus service board is composed of the following members:

(1) One (1) member of the Lake County fiscal body, appointed by the Lake County fiscal body.

(2) One (1) member of the Porter County fiscal body, appointed by the Porter County fiscal body.

(3) The mayor of each city that meets both of the following conditions:

(A) The city has a population of at least twenty-five thousand (25,000).

(B) The city is located in Lake County or Porter County.

(b) A member described in subsection (a)(1) or (a)(2) serves at the pleasure of the appointing authority.

(c) If an appointing authority fails to make the required appointment to the board within sixty (60) days after a vacancy exists on the board, the appointment shall be made by the governor from the individuals eligible to fill the position.

**Sec. 3.** A member of a bus service board is not entitled to receive compensation for performance of the member's duties. However, a member of the bus service board who is not an elected official is

entitled to a per diem from the district for the member's participation in bus service board meetings. The amount of the per diem is equal to the amount of the per diem provided under IC 4-10-11-2.1(b).

Sec. 4. A majority of the members appointed to the bus service board constitutes a quorum for a meeting.

Sec. 5. The affirmative votes of at least a majority of the appointed members of the bus service board are necessary to authorize any action of the district.

Sec. 6. The bus service board shall elect a chairperson of the bus service board and any other officers that the bus service board determines appropriate.

Sec. 7. A bus service board shall meet at least quarterly.

Sec. 8. The chairperson of a bus service board or any two (2) members of the bus service board may call a meeting of the bus service board. The chairperson of the bus service board shall call the initial meeting of the bus service board for a date that is not more than thirty (30) days after the bus service board is initially established.

Sec. 9. The bus service board may adopt those bylaws and rules that the bus service board considers necessary for the proper conduct of the bus service board's duties and the safeguarding of the district's funds and property.

Sec. 10. Subject to this article, the bus service board has the following powers in Lake County and Porter County:

(1) The powers granted by IC 36-9-3 or any other law to the board of a regional transportation authority.

(2) The powers granted to the bus service board under this article.

Sec. 11. The bus service division has the following powers in Lake County and Porter County:

(1) The powers granted by IC 36-9-3 or any other law to a regional transportation authority to operate a bus public transportation system.

(2) The powers granted to the bus service division under this article.

Sec. 12. The powers of the bus service board and division may be exercised only in Lake County and Porter County.

Sec. 13. The bus service division shall operate in the manner provided for a regional transportation authority under IC 36-9-3, except that:

(1) this article applies if there is a conflict between this article and IC 36-9-3; and

(2) an action authorized or permitted under IC 36-9-3 (other than the appointment or removal of members of the bus service board) by the executive, fiscal body, or legislative body of a municipality or county shall be taken by the board.

1       **Sec. 14. The bus service board shall appoint an executive**  
 2       **director of the bus service division to manage the division. To be**  
 3       **employed as executive director, the individual must have at least**  
 4       **five (5) years experience in public transportation at a senior**  
 5       **executive level.**

6       **Sec. 15. (a) The bus service advisory board is established. The**  
 7       **bus service advisory board has the following members:**

8               **(1) Two (2) members, each of whom must be a bus passenger**  
 9               **appointed by the bus service board.**

10              **(2) Two (2) members, each of whom must be a bus division**  
 11              **employee appointed by the bus service board.**

12              **(b) The members appointed under subsection (a)(1) must be**  
 13              **selected from passengers who have submitted a letter of interest to**  
 14              **the bus service board. To be considered for this position, a**  
 15              **passenger must submit a letter of interest to the bus service board**  
 16              **during a two (2) week period that begins sixty (60) days before the**  
 17              **expiration of the term of the member to be appointed. A passenger**  
 18              **member of the bus service board is not required to submit a letter**  
 19              **of interest to be eligible for appointment to a successive term.**

20              **(c) The members appointed under subsection (a)(2) must be**  
 21              **selected from a list of names submitted by the labor union**  
 22              **representing the employees of the bus service division.**

23              **(d) A member of the bus service advisory board shall serve for**  
 24              **a term of two (2) years from the beginning of the term for which**  
 25              **the member was appointed and until a successor has qualified for**  
 26              **the office. Each member shall serve at the pleasure of the**  
 27              **appointing authority but is eligible for reappointment for**  
 28              **successive terms.**

29              **(e) The members of the bus service advisory board shall elect**  
 30              **for a one (1) year term:**

31                      **(1) one (1) member as chairperson;**

32                      **(2) one (1) member to serve as vice chairperson; and**

33                      **(3) one (1) member to serve as secretary.**

34              **(f) Ninety (90) days before the expiration of the term of the bus**  
 35              **service advisory board member appointed under subsection (a)(1),**  
 36              **the bus service division shall post in each bus a notice of the**  
 37              **opening on the bus service advisory board. The notice must**  
 38              **announce the opening for two (2) passenger members on the bus**  
 39              **service advisory board and provide information on submitting a**  
 40              **letter of interest. The notice must state the period in which the**  
 41              **passenger must submit a letter of interest. The notice must remain**  
 42              **posted until the expiration of the two (2) week period described in**  
 43              **subsection (b).**

44              **(g) The bus service advisory board shall meet:**

45                      **(1) at least quarterly at the call of the chairperson of the bus**  
 46                      **service advisory board; or**

47                      **(2) as requested by the bus service board.**

1       (h) The bus service advisory board shall, as considered  
 2 necessary by the bus service advisory board or as requested by the  
 3 bus service board, study issues and make recommendations  
 4 concerning matters affecting the bus service division.

5       **Chapter 7. General Powers of the District**

6       Sec. 1. The district shall exercise the powers granted to the  
 7 district by this article to carry out the purposes of the district.

8       Sec. 2. The district may sue and be sued in the name of the  
 9 district.

10       Sec. 3. The district may determine matters of policy regarding  
 11 internal organization and operating procedures not specifically  
 12 provided for by law.

13       Sec. 4. The district may employ the personnel necessary to carry  
 14 out the duties, functions, and powers of the district.

15       Sec. 5. The district may fix the compensation of the various  
 16 officers and employees of the district, within the limitations of the  
 17 total personal services budget.

18       Sec. 6. The district may adopt rules governing the duties of its  
 19 officers, employees, and personnel, and the internal management  
 20 of the affairs of the district.

21       Sec. 7. The district may protect all property owned or managed  
 22 by the district and procure insurance against any losses in  
 23 connection with its property, operations, or assets in amounts and  
 24 from insurers as it considers desirable.

25       Sec. 8. The district may receive gifts, donations, bequests, and  
 26 public trusts, agree to conditions and terms accompanying them,  
 27 and bind the district to carry them out.

28       Sec. 9. (a) The district may receive federal or state aid and  
 29 administer that aid.

30       (b) The district may comply with federal statutes and rules  
 31 concerning the expenditure of federal money for public  
 32 transportation systems. The board may apply to state and federal  
 33 agencies for grants for public transportation development, make  
 34 or execute representations, assurances, and contracts, enter into  
 35 covenants and agreements with any state or federal agency relative  
 36 to public transportation systems, and comply with federal and state  
 37 statutes and rules concerning the acquisition, development,  
 38 operation, and administration of public transportation systems.

39       (c) The district may use money received by the district that is  
 40 not pledged or restricted for another purpose to provide a local  
 41 match required for the receipt of any federal funds.

42       Sec. 10. At the request of a service board, the district may sell,  
 43 lease, or otherwise contract for advertising in or on the facilities of  
 44 the district.

45       Sec. 11. The district may determine the level and kind of public  
 46 transportation services to be provided by the district.

47       Sec. 12. The district may do all other acts necessary or

1 reasonably incident to carrying out the purposes of this article.

2 **Chapter 8. Administration**

3 **Sec. 1.** The district board shall adopt an annual budget for the  
4 district.

5 **Sec. 2.** The district may establish the funds and accounts that  
6 the district determines necessary. The district shall account for  
7 revenues as required to comply with the requirements specified in  
8 any agreement.

9 **Sec. 3.** The district is subject to audit under IC 5-11-1.

10 **Sec. 4.** A district shall, before April 1 of each year, issue a report  
11 to the legislative council, the budget committee, and the governor  
12 concerning the operations and activities of the district during the  
13 preceding calendar year. The report to the legislative council must  
14 be in an electronic format under IC 5-14-6.

15 **Sec. 5.** The board shall appoint an executive director to manage  
16 the district. To be employed as executive director, the individual  
17 must have at least five (5) years experience in public transportation  
18 at a senior executive level.

19 **Sec. 6.** The board may establish the advisory committees that  
20 the board determines to be advisable.

21 **Sec. 7.** All employees of the district:

22 (1) shall be employed solely on the basis of ability, taking into  
23 account their qualifications to perform the duties of their  
24 positions;

25 (2) shall be employed regardless of political affiliation;

26 (3) may not be appointed, promoted, reduced, removed, or in  
27 any way favored or discriminated against because of their  
28 political affiliation, race, religion, color, sex, national origin,  
29 or ancestry;

30 (4) are ineligible to hold, or be a candidate for, elected office  
31 (as defined in IC 3-5-2-17) while employed by the district;

32 (5) may not solicit or receive political contributions;

33 (6) may not be required to make contributions for or  
34 participate in political activities;

35 (7) shall be employed on a six (6) month probationary period,  
36 with a written evaluation prepared after five (5) months of  
37 service by their immediate supervisor for the executive  
38 director to determine if employment should continue beyond  
39 the probationary period; and

40 (8) shall be evaluated annually in writing by their immediate  
41 supervisor to advise the executive director as to whether the  
42 employees should remain in their positions.

43 **Chapter 9. Procurement**

44 **Sec. 1.** The district shall comply with IC 5-16-7 (common  
45 construction wage), IC 5-22 (public purchasing), IC 36-1-12 (public  
46 work projects), and any applicable federal bidding statutes and  
47 regulations.

1       **Sec. 2. An entity that receives a loan, a grant, or other financial**  
 2       **assistance from a district or enters into a lease with a district must**  
 3       **comply with applicable federal, state, and local public purchasing**  
 4       **and bidding laws and regulations. However, a purchasing agency**  
 5       **(as defined in IC 5-22-2-25) of a political subdivision may:**

6               **(1) assign or sell a lease for property to a district; or**

7               **(2) enter into a lease for property with a district;**

8       **at any price and under any other terms and conditions as may be**  
 9       **determined by the entity and the district. However, before making**  
 10       **an assignment or a sale of a lease or entering into a lease under this**  
 11       **section that would otherwise be subject to IC 5-22, the political**  
 12       **subdivision or its purchasing agent must obtain or cause to be**  
 13       **obtained a purchase price for the property to be subject to the**  
 14       **lease from the lowest responsible and responsive bidder in**  
 15       **accordance with the requirements for the purchase of supplies**  
 16       **under IC 5-22.**

17       **Sec. 3. Except where 49 CFR Part 26 applies, the district shall**  
 18       **set a goal for participation by minority business enterprises and**  
 19       **women's business enterprises. The goals must be consistent with:**

20               **(1) the participation goals established by the counties and**  
 21               **municipalities that are members of the district; and**

22               **(2) the goals of delivering the project on time and within the**  
 23               **budgeted amount and, insofar as possible, using Indiana**  
 24               **businesses for employees, goods, and services.**

25       **Sec. 4. If the district is unable to agree with the owners, lessees,**  
 26       **or occupants of any real property selected for the purposes of this**  
 27       **article, the district may proceed under IC 32-24-1 to procure the**  
 28       **condemnation of the property. The district may not institute a**  
 29       **proceeding until it has adopted a resolution that:**

30               **(1) describes the real property sought to be acquired and the**  
 31               **public purposes for which the real property is to be used;**

32               **(2) declares that the public interest and necessity require the**  
 33               **acquisition by the district of the property involved; and**

34               **(3) sets out any other facts that the district considers**  
 35               **necessary or pertinent.**

36       **The resolution is conclusive evidence of the public necessity of the**  
 37       **proposed acquisition.**

#### 38       **Chapter 10. Planning**

39       **Sec. 1. After reviewing the transportation plans of the Indiana**  
 40       **department of transportation, regional and other planning**  
 41       **agencies, and of each division, the district shall develop,**  
 42       **continuously update, and implement long range comprehensive**  
 43       **transportation plans to ensure the orderly development and**  
 44       **maintenance of an efficient system of public transportation in the**  
 45       **district. The plan must be approved by the board. The district shall**  
 46       **periodically amend and update the plan as appropriate or as**  
 47       **requested by a division.**



1       **Sec. 2. The plan must identify goals and objectives with respect**  
 2 **to the following:**

3       **(1) Increasing ridership and passenger miles on public**  
 4 **transportation funded by the district.**

5       **(2) Coordination of public transportation services and the**  
 6 **investment in public transportation facilities to enhance the**  
 7 **integration of public transportation throughout the district**  
 8 **territory.**

9       **(3) Coordination of fare and transfer policies to promote**  
 10 **transfers by riders among service boards, public**  
 11 **transportation agencies, and public transportation modes,**  
 12 **which may include goals and objectives for development of a**  
 13 **universal fare instrument that riders may use interchangeably**  
 14 **on all public transportation funded by the district, and**  
 15 **methods to be used to allocate revenues from transfers.**

16       **(4) Improvements in public transportation facilities to bring**  
 17 **those facilities into a state of good repair, enhancements that**  
 18 **attract ridership and improve customer service, and**  
 19 **expansions needed to serve areas with sufficient demand for**  
 20 **public transportation.**

21       **(5) Access for transit dependent populations, including access**  
 22 **by low income communities to places of employment, using**  
 23 **analyses provided by the department of workforce**  
 24 **development and other planning agencies regarding**  
 25 **employment and transportation availability, and giving**  
 26 **consideration to the location of employment centers in each**  
 27 **county and the availability of public transportation at off**  
 28 **peak hours and on weekends.**

29       **(6) The financial viability of the public transportation system,**  
 30 **including both operating and capital programs.**

31       **(7) Limiting road congestion within the district territory and**  
 32 **enhancing transit options to improve mobility.**

33       **(8) Other goals and objectives that advance adequate,**  
 34 **efficient, and coordinated public transportation in the district**  
 35 **territory.**

36       **Sec. 3. The plan must establish the process and criteria by which**  
 37 **proposals for capital improvements by a service board will be**  
 38 **evaluated by the district for inclusion in the five (5) year capital**  
 39 **program. The plan may include criteria for the following:**

40       **(1) Allocating funds among maintenance, enhancement, and**  
 41 **expansion improvements.**

42       **(2) Projects to be funded.**

43       **(3) Projects intended to improve or enhance ridership or**  
 44 **customer service.**

45       **(4) Design and location of station or transit improvements**  
 46 **intended to promote transfers, increase ridership, and**  
 47 **support transit oriented land development.**

1           (5) Assessing the impact of projects on the ability to operate  
2           and maintain the existing transit system.

3           (6) Other criteria that advance the goals and objectives of the  
4           plan.

5           Sec. 4. The plan must establish performance standards and  
6           measurements regarding the adequacy, efficiency, and  
7           coordination of public transportation services in the region and the  
8           implementation of the goals and objectives in the plan. At a  
9           minimum, the standards and measures must include customer  
10          related performance data measured by line, route, or subregion, as  
11          determined by the district, on the following:

12           (1) Travel times and on time performance.

13           (2) Ridership data.

14           (3) Equipment failure rates.

15           (4) Employee and customer safety.

16           (5) Customer satisfaction.

17          Sec. 5. The plan must describe the expected financial condition  
18          of public transportation in the district territory prospectively over  
19          a ten (10) year period, which may include information about the  
20          cash position and all known obligations of the district and the  
21          service boards, including operating expenditures, debt service,  
22          contributions for payment of pension and other post-employment  
23          benefits, the expected revenues from fares, tax receipts, grants  
24          from the federal, state, and local governments for operating and  
25          capital purposes and issuance of debt, the availability of working  
26          capital, and the resources needed to achieve the goals and  
27          objectives described in the plan.

28          Sec. 6. The district may adopt subregional or corridor plans for  
29          specific geographic areas of the district territory to improve the  
30          adequacy, efficiency, and coordination of existing, or the delivery  
31          of new, public transportation. The plans may also address areas  
32          outside the district territory that may affect public transportation  
33          use in the district territory. In preparing a subregional or corridor  
34          plan, the district may identify changes in operating practices or  
35          capital investment in the subregion or corridor that could increase  
36          ridership, reduce costs, improve coordination, or enhance transit  
37          oriented development. The district shall consult with any affected  
38          service boards in the preparation of any subregional or corridor  
39          plans.

40          Sec. 7. The district shall annually establish a capital  
41          improvement plan to govern the distribution of grants to each  
42          service division. The capital improvement plan shall cover at least  
43          a five (5) year period and incorporate information concerning the  
44          capital improvement plans of the service divisions.

45          Sec. 8. Each service division shall provide the district with the  
46          information that the district determines necessary to prepare the  
47          plans required by this chapter.

1       **Sec. 9. The district and the service boards shall cooperate with**  
 2       **the various public agencies charged with responsibility for long**  
 3       **range or comprehensive planning for the district territory. The**  
 4       **district shall, before the adoption of any plan under this chapter,**  
 5       **submit its proposals to these agencies for review and comment. The**  
 6       **district and the service boards may make use of existing studies,**  
 7       **surveys, plans, data, and other materials in the possession of any**  
 8       **state agency or department, any planning agency, or any unit of**  
 9       **local government.**

10       **Sec. 10. The district shall, not later than January 1 of the second**  
 11       **year following the year in which the district is established, submit**  
 12       **the plans for review by the budget committee.**

13       **Chapter 11. Acquisition and Construction of Public**  
 14       **Transportation Facilities**

15       **Sec. 1. The powers granted under this chapter supplement any**  
 16       **other powers granted by another law.**

17       **Sec. 2. A service division may:**

- 18           (1) **construct or acquire any public transportation facility for**  
 19           **use by the district or a service division; and**
- 20           (2) **acquire funds and interests in and materials for**  
 21           **transportation facilities from any transportation agency,**  
 22           **including:**
  - 23               (A) **reserve funds;**
  - 24               (B) **employees' pension or retirement funds;**
  - 25               (C) **special funds;**
  - 26               (D) **franchises;**
  - 27               (E) **licenses;**
  - 28               (F) **patents;**
  - 29               (G) **permits; and**
  - 30               (H) **papers and records of the agency.**

31       **In making acquisitions from a transportation agency, the district**  
 32       **may assume the obligations of the agency regarding its property or**  
 33       **public transportation operations.**

34       **Sec. 3. A service division may acquire, improve, maintain, lease,**  
 35       **and rent facilities, including air rights, that are within one hundred**  
 36       **(100) yards of a terminal, station, or other facility of the district. If**  
 37       **these facilities generate revenues that exceed their cost to the**  
 38       **district, the division must use the excess revenues to improve**  
 39       **transportation services or reduce fares for the public.**

40       **Sec. 4. A service may lease to others for development or**  
 41       **operation all or any part of the property of the district on the**  
 42       **terms and conditions as the service board considers advisable.**

43       **Sec. 5. A service division may enter into an agreement with any**  
 44       **other entity to:**

- 45           (1) **jointly equip, own, lease, and finance projects and**  
 46           **facilities; or**
- 47           (2) **otherwise carry out the purposes of the service division;**

1 in any location.

2 **Chapter 12. Operation of Public Transportation Facilities**

3 **Sec. 1. The powers granted under this chapter supplement any**  
 4 **other powers granted by another law.**

5 **Sec. 2. A service division may provide public transportation**  
 6 **service by operating public transportation facilities.**

7 **Sec. 3. A service division may enter into operating agreements**  
 8 **with any private or public person to operate transportation**  
 9 **facilities on behalf of a service division.**

10 **Sec. 4. Whenever a service division provides any public**  
 11 **transportation service by operating public transportation facilities,**  
 12 **the service division shall establish the level and nature of fares or**  
 13 **charges to be made for public transportation services, and the**  
 14 **nature and standards of public transportation service to be**  
 15 **provided within the jurisdiction of the service division.**

16 **Sec. 5. A service board shall, to the extent it considers feasible,**  
 17 **adopt uniform standards for the making of grants and purchase of**  
 18 **service agreements. These grant contracts or purchase of service**  
 19 **agreements may be for the number of years or duration agreed to**  
 20 **by the service division and the transportation agency.**

21 **Sec. 6. If the district provides grants for operating expenses or**  
 22 **participates in any purchase of service agreement, the purchase of**  
 23 **service agreement or grant contract must state the level and nature**  
 24 **of fares or charges to be made for public transportation services,**  
 25 **and the nature and standards of public transportation to be so**  
 26 **provided. In addition, any purchase of service agreements or grant**  
 27 **contracts must provide, among other matters, for:**

- 28 (1) the terms or cost of transfers or interconnections between
- 29 different public transportation agencies;
- 30 (2) schedules or routes of transportation service;
- 31 (3) changes that may be made in transportation service;
- 32 (4) the nature and condition of the facilities used in providing
- 33 service;
- 34 (5) the manner of collection and disposition of fares or
- 35 charges;
- 36 (6) the records and reports to be kept and made concerning
- 37 transportation service; and
- 38 (7) interchangeable tickets or other coordinated or uniform
- 39 methods of collection of charges.

40 **Chapter 13. Centralized Services and Coordination of Programs**

41 **Sec. 1. The district may perform centralized services such as**  
 42 **ridership information and transfers between services under the**  
 43 **jurisdiction of a service board if the centralized services financially**  
 44 **benefit the district as a whole.**

45 **Sec. 2. A service division may construct or acquire any public**  
 46 **transportation facility for use by the service division or for use by**  
 47 **any transportation agency and may acquire any facilities from any**

1 transportation agency, including also without limitation any  
 2 reserve funds, employees' pension or retirement funds, special  
 3 funds, franchises, licenses, patents, permits, papers, documents,  
 4 and records of the agency. In connection with any acquisition from  
 5 a transportation agency, the service division may assume  
 6 obligations of the transportation agency with regard to the  
 7 facilities or property or public transportation operations of the  
 8 agency.

9 Sec. 3. In connection with any construction or acquisition, a  
 10 service division shall make relocation payments as may be required  
 11 by federal law or by the requirements of any federal agency  
 12 authorized to administer any federal program of aid.

13 Sec. 4. The district shall, after consulting with the service  
 14 boards, develop regionally coordinated and consolidated sales,  
 15 marketing, advertising, and public information programs that  
 16 promote the use and coordination of, and transfers among, public  
 17 transportation services in the district territory. The district shall  
 18 develop and adopt rules and guidelines for the district and the  
 19 service boards regarding the programs to ensure that each service  
 20 board's independent programs conform with the district's regional  
 21 programs.

22 Sec. 5. To provide or assist any transportation of members of  
 23 the general public between points in the district territory and  
 24 points outside the district territory, whether in Indiana, Michigan,  
 25 or Illinois, a service division, by resolution, may enter into  
 26 agreements with any unit of local government, individual,  
 27 corporation, or other person or public agency in or of any state or  
 28 with any private entity for service. The agreements may provide  
 29 for participation by the service board in providing the service and  
 30 for grants by the service board in connection with the service, and  
 31 may, subject to federal and state law, set forth any terms relating  
 32 to the service, including coordinating the service with public  
 33 transportation in the district territory. The agreement may be for  
 34 the number of years or duration as the parties may agree. In  
 35 regard to the agreements or grants, a service board shall consider  
 36 the benefit to the district territory and the financial contribution  
 37 with regard to the service made or to be made from public funds  
 38 in the areas served outside the district territory.

39 Sec. 6. Upon the request of a service board, the district may  
 40 intervene in any matter involving:

41 (1) a dispute between the two (2) service boards or a service  
 42 board and any transportation agency providing service on  
 43 behalf of a service board with respect to the terms of transfer  
 44 between, and the allocation of revenues from fares and  
 45 charges for, or transportation services provided by the  
 46 parties; or

47 (2) a dispute between the two (2) service boards with respect

1           to coordination of service, route duplication, or a change in  
2           service.

3           Any service board or transportation agency involved in the dispute  
4           shall meet with the executive director, cooperate in good faith to  
5           attempt to resolve the dispute, and provide any books, records, and  
6           other information requested by the executive director. If the  
7           executive director is unable to mediate a resolution of any dispute,  
8           the executive director may provide a written determination  
9           recommending a change in the fares or charges or the allocation of  
10          revenues for the service or directing a change in the nature or  
11          provider of service that is the subject of the dispute. The executive  
12          director shall base the determination upon the goals and objectives  
13          of the district's plan. The determination shall be presented to the  
14          district board for a final determination. The final determination  
15          shall be implemented by any affected service board within the time  
16          frame required by the determination.

#### 17           Chapter 14. Bonds

18          Sec. 1. (a) A service board may contract with the Indiana  
19          finance authority (IC 4-4-11) to borrow money, make guaranties,  
20          issue bonds, and otherwise incur indebtedness for any of the  
21          service division's purposes, and issue debentures, notes, or other  
22          evidences of indebtedness, whether secured or unsecured, to any  
23          person.

24          (b) The indebtedness is payable solely from:

25               (1) the lease rentals from the lease of the projects for which  
26               the bonds were issued, insurance proceeds, and any other  
27               funds pledged or available; and

28               (2) to the extent designated in the agreements for the bonds,  
29               revenue received by the service board and amounts deposited  
30               in a service division's fund.

31          (c) The indebtedness must be authorized by a resolution of the  
32          service board.

33          (d) The terms and form of the indebtedness must either be set  
34          out in the resolution or in a form of trust indenture approved by  
35          the resolution.

36          (e) The indebtedness must be paid within twenty-five (25) years.

37          (f) All money received from any indebtedness under this article  
38          shall be applied solely to the payment of the cost of acquiring,  
39          constructing, improving, reconstructing, or renovating one (1) or  
40          more projects, or the cost of refunding or refinancing outstanding  
41          bonds, for which the indebtedness was incurred. The cost may  
42          include:

43               (1) planning and development of equipment or a facility and  
44               all buildings, facilities, structures, equipment, and  
45               improvements related to the facility;

46               (2) acquisition of a site and clearing and preparing the site for  
47               construction;

- (3) equipment, facilities, structures, and improvements that are necessary or desirable to make the project suitable for use and operations;
- (4) architectural, engineering, consultant, and attorney's fees;
- (5) incidental expenses in connection with the issuance and sale of bonds;
- (6) reserves for principal and interest;
- (7) interest during construction;
- (8) financial advisory fees;
- (9) insurance during construction;
- (10) bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement; and
- (11) funding or refunding bonds or other evidences of indebtedness issued under this article, IC 8-5-15, IC 8-9.5-7, IC 8-22-3, IC 36-7.5, IC 36-7.6, IC 36-9-3, IC 36-9-4, or prior law to finance a public transportation system, including payment of the principal of, redemption premiums (if any) for, and interest on the bonds being refunded or refinanced.

Sec. 2. This article contains full and complete authority for the issuance of bonds. No law, procedure, proceedings, publications, notices, consents, approvals, orders, or acts by a service division board or any other officer, department, agency, or instrumentality of the state or of any political subdivision is required to issue any bonds, except as prescribed in this article.

Sec. 3. (a) The Indiana finance authority may secure bonds issued under this article by a trust indenture between the service division and a corporate trustee, which may be any trust company or national or state bank in Indiana that has trust powers.

(b) The trust indenture may:

- (1) pledge or assign revenue received by the service division, amounts deposited in a service division fund, and lease rentals, receipts, and income from leased projects, but may not mortgage land or projects;
- (2) contain reasonable and proper provisions for protecting and enforcing the rights and remedies of the bondholders, including covenants setting forth the duties of the service division and the service board;
- (3) set forth the rights and remedies of bondholders and trustees; and
- (4) restrict the individual right of action of bondholders.

(c) Any pledge or assignment made by the service division under this section is valid and binding in accordance with IC 5-1-14-4 from the time that the pledge or assignment is made, against all persons whether they have notice of the lien. Any trust indenture by which a pledge is created or an assignment made need not be filed or recorded. The lien is perfected against third parties in accordance with IC 5-1-14-4.

1       **Sec. 4. Bonds issued under this article are legal investments for**  
 2       **private trust funds and the funds of banks, trust companies,**  
 3       **insurance companies, building and loan associations, credit unions,**  
 4       **savings banks, private banks, loan and trust and safe deposit**  
 5       **companies, rural loan and savings associations, guaranty loan and**  
 6       **savings associations, mortgage guaranty companies, small loan**  
 7       **companies, industrial loan and investment companies, and other**  
 8       **financial institutions organized under Indiana law.**

9       **Sec. 5. An action to contest the validity of bonds to be issued**  
 10       **under this article may not be brought after the time limitations set**  
 11       **forth in IC 5-1-14-13.**

12       **Sec. 6. The general assembly covenants that it will not:**

- 13       (1) **repeal or amend this article in a manner that would**  
 14       **adversely affect owners of outstanding bonds, or the payment**  
 15       **of lease rentals, secured by the amounts pledged under this**  
 16       **article; or**
- 17       (2) **in any way impair the rights of owners of bonds of a**  
 18       **district, or the owners of bonds secured by lease rentals or by**  
 19       **a pledge of revenues under this article.**

20       **Chapter 15. Leases and Agreements With Public**  
 21       **Transportation Agencies**

22       **Sec. 1. (a) Before a lease may be entered into by a service**  
 23       **division, the service board for the service division must find that**  
 24       **the lease rental provided for is fair and reasonable.**

25       **(b) A lease of land or a project by a service division:**

- 26       (1) **may not have a term exceeding twenty-five (25) years;**
- 27       (2) **may not require payment of lease rentals for a newly**  
 28       **constructed project or for improvements to an existing**  
 29       **project until the project or improvements to the project have**  
 30       **been completed and are ready for occupancy or use;**
- 31       (3) **may contain provisions:**
  - 32       (A) **allowing the service division to continue to operate an**  
 33       **existing project until completion of the acquisition,**  
 34       **improvements, reconstruction, or renovation of that**  
 35       **project or any other project; and**
  - 36       (B) **requiring payment of lease rentals for land, for an**  
 37       **existing project being used, reconstructed, or renovated, or**  
 38       **for any other existing project;**
- 39       (4) **may contain an option to renew the lease for the same or**  
 40       **a shorter term on the conditions provided in the lease;**
- 41       (5) **must contain an option for the service division to purchase**  
 42       **the project upon the terms stated in the lease during the term**  
 43       **of the lease for a price equal to the amount required to pay all**  
 44       **indebtedness incurred on account of the project, including**  
 45       **indebtedness incurred for the refunding of that indebtedness;**
- 46       (6) **may be entered into before acquisition or construction of**  
 47       **a project;**



- (7) may provide that the service division shall agree to:
- (A) pay any taxes and assessments on the project;
  - (B) maintain insurance on the project for the benefit of the district;
  - (C) assume responsibility for utilities, repairs, alterations, and any costs of operation; and
  - (D) pay a deposit or series of deposits to the lessor from any funds available to the service division before the commencement of the lease to secure the performance of the service division's obligations under the lease; and
- (8) must provide that the lease rental payments by the service division shall be made from:
- (A) net revenues of the project;
  - (B) any other funds available to the service division; or
  - (C) both sources described in clauses (A) and (B).

**Sec. 2.** This article contains full and complete authority for leases by a service division. No law, procedure, proceedings, publications, notices, consents, approvals, orders, or acts by the service division or any other officer, department, agency, or instrumentality of the state or any political subdivision is required to enter into any lease, except as prescribed in this article.

**Sec. 3.** If a lease provides for a project or improvements to a project to be constructed by a service division, the plans and specifications shall be submitted to and approved by all state agencies designated by law to pass on plans and specifications for public buildings.

**Sec. 4.** The service divisions may enter into common wall (party wall) agreements or other agreements concerning easements or licenses. These agreements shall be recorded with the recorder of the county in which the project is located.

**Sec. 5.** A service division may lease for a nominal lease rental, or sell to the other service division, one (1) or more projects or parts of a project or land on which a project is located or is to be constructed.

#### **Chapter 16. Distributions; Grants**

**Sec. 1.** The district shall use the money received by the district for the capital and operating expenses of the district and the district's service divisions.

**Sec. 2.** Excluding any amount restricted to a particular use by law or the grantor, the district shall allocate the amounts received by the district between:

- (1) the capital expenses and operation cost of the district's commuter service division; and
- (2) the capital expenses and operation cost of the district's bus service division.

**Sec. 3.** A distribution received by a service division from the district must be used in accordance with the district's

1 transportation plan.

2 **Chapter 17. Regional Transportation Improvement Income Tax**

3 **Sec. 1. (a) An improvement tax may be imposed on the adjusted**  
 4 **gross income of county taxpayers by the board. To impose the**  
 5 **improvement tax, the board must first request a determination of**  
 6 **the improvement tax rate that may be imposed in each county**  
 7 **under section 2 of this chapter.**

8 **(b) The bus service board and the commuter rail service board**  
 9 **shall make recommendations to the board regarding the part of the**  
 10 **improvement income tax rate in each county that shall be**  
 11 **dedicated to the bus service division and to the commuter rail**  
 12 **service division.**

13 **Sec. 2. A county's improvement tax rate in a member county**  
 14 **may not exceed the lesser of twenty-five hundredths percent**  
 15 **(0.25%) or the rate for that member county as determined under**  
 16 **section 3 of this chapter.**

17 **Sec. 3. (a) If the board desires to impose the improvement tax,**  
 18 **the board must first make written findings concerning the**  
 19 **following:**

20 **(1) The value of the public transportation facilities of the**  
 21 **district and the service divisions that the board proposes to**  
 22 **put in service after December 31, 2009, and to be allocated to**  
 23 **each member county.**

24 **(2) The total amount of the capital needs of the district and**  
 25 **the service divisions for the five (5) year period beginning in**  
 26 **the year of the request, reduced by the amount of capital costs**  
 27 **that will be paid from sources other than the improvement**  
 28 **tax.**

29 **(3) The annual amount of capital costs that the board**  
 30 **proposes to be allocated to each member county for the five**  
 31 **(5) year period beginning in the year of the request, reduced**  
 32 **by the amount of capital costs that will be paid from sources**  
 33 **other than the improvement tax. In determining the amount**  
 34 **to propose for capital costs to be allocated to each member**  
 35 **county, the board shall allocate the capital costs according to**  
 36 **a formula established by the board that reflects the benefit**  
 37 **received by the county from the capital costs in facilitating**  
 38 **public transportation in the county and to and from the**  
 39 **county.**

40 **(4) The total amount of the operating needs of the district and**  
 41 **service districts for the five (5) year period beginning in the**  
 42 **year of the request, reduced by the amount of operating**  
 43 **expenses that will be paid from sources other than the**  
 44 **improvement tax.**

45 **(5) The annual amount of operating expenses that the board**  
 46 **proposes to be allocated to each member county for the five**  
 47 **(5) year period beginning in the year of the request, using the**

total number of passengers and total miles traveled by individuals using public transportation within each member county that is provided by the district, reduced by the amount of operating expenses that will be paid from sources other than the improvement tax.

(b) In determining capital and operating costs under subsection (a), the costs shall be allocated, as determined by the board, to the capital expenses and operation costs of the district's commuter rail service division and the district's bus service division.

(c) Based on the findings under subsection (a) and the required allocation under subsection (b), the board shall make a determination and certify to the department the improvement tax rate that will be necessary for each year of the five (5) year period in each member county to pay for both the annual capital costs and annual operating expenses that are allocated to that member county. The rate imposed in a member county must be sufficient to raise the annual capital costs and annual operating expenses allocated to the county.

(d) A determination under this section shall be made using the best information available. The budget agency shall assist the board in computing the appropriate tax rates for each member county.

(e) The board may adopt a resolution adjusting the tax rate in a member county if the rates are too low to pay for both the annual capital costs and annual operating expenses that are allocated to each member county.

(f) The budget agency may cause a new determination to be made if:

- (1) the budget director finds that the actual annual capital costs and annual operating expenses are less than the improvement tax revenue for two (2) consecutive years such that the improvement tax rate could be reduced by at least five-hundredths percent (0.05%) for a member county; or
- (2) it has been more than three (3) years since the previous determination was made.

If a new determination under this subsection results in the improvement tax rate for each member county being at least five-hundredths percent (0.05%) less than the rate in effect in the year the new determination is made, the rate for each member county is reduced to the new rate without any action by the board. The new rate takes effect October 1 of the year of the new determination. The budget agency shall certify the new improvement tax rate to the board and the department.

Sec. 4. (a) To impose the improvement tax, the board must first publish a notice in each member county in accordance with IC 5-3-1. In addition to the requirements of IC 5-3-1, the notice must include:

(1) a clear and concise statement that the board will be considering the imposition of the regional transportation improvement tax at the meeting; and

(2) the content of the proposed resolution to impose the improvement tax.

(b) To impose the improvement tax, the board must, after March 31 but before August 1 of a year, adopt a resolution. The resolution to impose the tax must include the rate for each member county and substantially state the following for each member county:

"The Northern Indiana Regional Transportation District imposes the regional transportation improvement tax on the county taxpayers of \_\_\_\_\_ County. The improvement tax is imposed at a rate of \_\_\_\_\_ percent (\_\_\_\_%) of taxable income. This tax takes effect October 1 of this year."

Sec. 5. (a) The board may increase or decrease the improvement tax rate imposed upon the county taxpayers in each member county as long as the resulting rate does not exceed the rate certified under section 3 of this chapter.

(b) To increase the improvement tax rate, the board must first publish a notice in each member county in accordance with IC 5-3-1. In addition to the requirements of IC 5-3-1, the notice must include the content of the proposed resolution to increase the improvement tax rate.

(c) To decrease or increase the rate, the board must, after March 31 but before August 1 of a year, adopt a resolution. The resolution to increase or decrease the tax must include the rate for each member county and substantially state the following for each member county:

"The Northern Indiana Regional Transportation District increases (decreases) the regional transportation improvement tax rate imposed upon the county taxpayers of \_\_\_\_\_ County from \_\_\_\_\_ percent (\_\_\_\_%) to \_\_\_\_\_ percent (\_\_\_\_%) of taxable income. This tax rate increase (decrease) takes effect October 1 of this year."

Sec. 6. (a) The improvement tax imposed under this chapter remains in effect until rescinded.

(b) The board may rescind the tax by adopting a resolution to rescind the tax after March 31 but before August 1 of a year.

Sec. 7. (a) Any resolution adopted under this chapter takes effect October 1 of the year the resolution is adopted.

(b) The secretary of the board shall record all votes taken on resolutions presented for a vote under the authority of this chapter and shall, not more than ten (10) days after the vote, send a certified copy of the results to the department and the budget director by certified mail.

Sec. 8. (a) A special account within the state general fund shall

1 be established for the district. Any revenue derived from the  
2 imposition of the improvement tax shall be credited to the district's  
3 account in the state general fund.

4 (b) Any income earned on money credited to an account under  
5 subsection (a) becomes a part of that account.

6 (c) Any revenue credited to an account established under  
7 subsection (a) at the end of a fiscal year may not be credited to any  
8 other account in the state general fund.

9 Sec. 9. (a) Revenue derived from the imposition of the  
10 improvement tax shall be distributed to the treasurer of the board.

11 (b) Before August 2 of each calendar year, the budget agency  
12 shall certify to the treasurer of the board the amount of  
13 improvement tax revenue that the department determines has  
14 been:

- 15 (1) received for the district for the taxable year ending before
- 16 the calendar year in which the determination is made; and
- 17 (2) reported on an annual return or amended return
- 18 processed by the department in the state fiscal year ending
- 19 before July 1 of the calendar year in which the determination
- 20 is made.

21 The amount shall be adjusted as provided in this section. The  
22 amount certified is the district's certified distribution for the  
23 following calendar year.

24 (c) The budget agency shall adjust the amount determined  
25 under subsection (b) for:

- 26 (1) refunds of improvement tax made in the state fiscal year;
- 27 and
- 28 (2) the amount of interest in the district's special account that
- 29 has been accrued but has not been included in a certification
- 30 made in a preceding year.

31 (d) The budget agency shall certify an amount that is less than  
32 the amount determined under subsection (c) if the budget agency  
33 determines that the reduced distribution is necessary to offset  
34 overpayments made in a calendar year before the calendar year of  
35 the distribution. The budget agency may reduce the amount of the  
36 certified distribution over several calendar years so that any  
37 overpayments are offset over several years rather than in one (1)  
38 lump sum.

39 (e) The budget agency shall certify an amount that is more than  
40 the amount determined under subsection (c) if the budget agency  
41 determines that the increased distribution is necessary to offset  
42 underpayments made in a calendar year before the calendar year  
43 of the distribution.

44 (f) The budget agency shall adjust the certified distribution of  
45 the district to correct for any clerical or mathematical errors made  
46 in any previous certification under this section. The budget agency  
47 may reduce the amount of the certified distribution over several

1       calendar years so that any reduction under this subsection is offset  
2       over several years rather than in one (1) lump sum.

3       (g) This subsection applies if the district:

4           (1) initially imposed the improvement tax; or

5           (2) increases the improvement tax rate;

6       under this chapter and the tax or increased rate takes effect in the  
7       same calendar year in which the budget agency makes a  
8       certification under this section. The budget agency shall adjust the  
9       certified distribution of a county to provide for a distribution in the  
10      immediately following calendar year.

11      (h) The budget agency shall provide to the treasurer of the  
12      board an informative summary of the calculations used to  
13      determine the certified distribution. The summary of calculations  
14      must include the following:

15           (1) The amount reported on individual income tax returns  
16           processed by the department during the previous state fiscal  
17           year.

18           (2) Adjustments for:

19               (A) refunds;

20               (B) special account interest;

21               (C) over or under distributions in prior years;

22               (D) clerical or mathematical errors in prior years; and

23               (E) tax rate changes.

24           (3) The balance in the district's special account as of the cutoff  
25           date set by the budget agency.

26      (i) One-twelfth (1/12) of a district's certified distribution for a  
27      calendar year shall be distributed from the district's account to the  
28      treasurer of the board each month.

29      Sec. 10. The district shall deposit the amount received under this  
30      chapter as follows:

31           (1) An amount equal to the budgeted annual capital costs as  
32           certified by the budget agency in a separate capital account.

33           (2) An amount equal to the budgeted operating expenses as  
34           certified by the budget agency in a separate operating  
35           account.

36           (3) Any part of a distribution remaining after making the  
37           deposits required under subdivisions (1) and (2) shall be  
38           deposited in a separate reserve account.

39      Sec. 11. (a) For purposes of this chapter, an individual shall be  
40      treated as a resident of the county in which the individual:

41           (1) maintains a home if the individual maintains only one (1)  
42           home in Indiana;

43           (2) if subdivision (1) does not apply, is registered to vote;

44           (3) if subdivisions (1) and (2) do not apply, registers the  
45           individual's personal automobile; or

46           (4) if subdivisions (1), (2), and (3) do not apply, spends the  
47           majority of the individual's time in Indiana during the taxable

1 year in question.

2 (b) The residence or principal place of business or employment  
3 of an individual is to be determined on January 1 of the calendar  
4 year in which the individual's taxable year commences. If an  
5 individual changes the location of the individual's residence or  
6 principal place of employment or business to another county in  
7 Indiana during a calendar year, the individual's liability for  
8 improvement tax is not affected.

9 Sec. 12. If the improvement tax is not in effect during a county  
10 taxpayer's entire taxable year, the amount of improvement tax that  
11 the county taxpayer owes for that taxable year equals the product  
12 of:

13 (1) the amount of improvement tax the county taxpayer would  
14 owe if the tax had been imposed during the county taxpayer's  
15 entire taxable year; multiplied by

16 (2) a fraction, the:

17 (A) numerator of which equals the number of days during  
18 the county taxpayer's taxable year during which the  
19 improvement tax was in effect; and

20 (B) denominator of which equals three hundred sixty-five  
21 (365).

22 Sec. 13. (a) If for the taxable year a county taxpayer is (or a  
23 county taxpayer and the county taxpayer's spouse who file a joint  
24 return are) allowed a credit for the elderly or individuals with a  
25 total disability under Section 22 of the Internal Revenue Code, the  
26 county taxpayer is (or the county taxpayer and the county  
27 taxpayer's spouse are) entitled to a credit against the county  
28 taxpayer's (or the county taxpayer's and the county taxpayer's  
29 spouse's) improvement tax liability for that same taxable year. The  
30 amount of the credit equals the lesser of:

31 (1) the product of:

32 (A) the county taxpayer's (or the county taxpayer's and the  
33 county taxpayer's spouse's) credit for the elderly or  
34 individuals with a total disability for that same taxable  
35 year; multiplied by

36 (B) a fraction, the:

37 (i) numerator of which is the improvement tax rate  
38 imposed against the county taxpayer (or against the  
39 county taxpayer and the county taxpayer's spouse); and

40 (ii) denominator of which is fifteen-hundredths (0.15); or

41 (2) the amount of improvement tax imposed on the county  
42 taxpayer (or the county taxpayer and the county taxpayer's  
43 spouse).

44 (b) If a county taxpayer and the county taxpayer's spouse file a  
45 joint return and are subject to different improvement tax rates for  
46 the same taxable year, they shall compute the credit under this  
47 section by using the formula provided by subsection (a), except that

they shall use the average of the two (2) improvement tax rates imposed against them as the numerator referred to in subsection (a)(1)(B)(i).

Sec. 14. (a) Except as otherwise provided in this chapter, all provisions of the adjusted gross income tax law (IC 6-3) concerning:

- (1) definitions;
- (2) declarations of estimated tax;
- (3) filing of returns;
- (4) remittances;
- (5) incorporation of the provisions of the Internal Revenue Code;
- (6) penalties and interest;
- (7) exclusion of military pay credits for withholding; and
- (8) exemptions and deductions;

apply to the imposition, collection, and administration of the improvement tax.

(b) IC 6-3-1-3.5(a)(6), IC 6-3-3-3, IC 6-3-3-5, and IC 6-3-5-1 do not apply to the improvement tax.

(c) Notwithstanding subsections (a) and (b), each employer shall report to the department the amount of withholdings of the improvement tax attributable to each county. This report shall be submitted to the department:

- (1) each time the employer remits to the department the tax that is withheld; and
- (2) annually along with the employer's annual withholding report.

Sec. 15. The improvement tax is a listed tax and an income tax for the purposes of IC 6-8.1."

Page 429, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 477. IC 36-7.5-1-11.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 11.3. "Eligible municipality" refers to a municipality that has become a member of the development authority under IC 36-7.5-2-3(i).

SECTION 478. IC 36-7.5-2-2, AS ADDED BY P.L.214-2005, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. The development authority may carry out its powers and duties under this article in the following:

- (1) An eligible county.
- (2) An eligible municipality.

SECTION 479. IC 36-7.5-2-3, AS AMENDED BY P.L.1-2007, SECTION 241, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) The development authority is governed by the development board appointed under this section.

(b) Except as provided in subsections (e), ~~and~~ (f), and (i), the



- 1 development board is composed of the following seven (7) members:
- 2 (1) Two (2) members appointed by the governor. One (1) of the
- 3 members appointed by the governor under this subdivision must
- 4 be an individual nominated under subsection (d). The members
- 5 appointed by the governor under this subdivision serve at the
- 6 pleasure of the governor.
- 7 (2) The following members from a county having a population of
- 8 more than four hundred thousand (400,000) but less than seven
- 9 hundred thousand (700,000):
- 10 (A) One (1) member appointed by the mayor of the largest city
- 11 in the county in which a riverboat is located.
- 12 (B) One (1) member appointed by the mayor of the second
- 13 largest city in the county in which a riverboat is located.
- 14 (C) One (1) member appointed by the mayor of the third
- 15 largest city in the county in which a riverboat is located.
- 16 (D) One (1) member appointed jointly by the county executive
- 17 and the county fiscal body. A member appointed under this
- 18 clause may not reside in a city described in clause (A), (B), or
- 19 (C).
- 20 (3) One (1) member appointed jointly by the county executive and
- 21 county fiscal body of a county having a population of more than
- 22 one hundred forty-five thousand (145,000) but less than one
- 23 hundred forty-eight thousand (148,000).
- 24 (c) A member appointed to the development board must have
- 25 knowledge and at least five (5) years professional work experience in
- 26 at least one (1) of the following:
- 27 (1) Rail transportation or air transportation.
- 28 (2) Regional economic development.
- 29 (3) Business or finance.
- 30 (d) The mayor of the largest city in a county having a population of
- 31 more than one hundred forty-five thousand (145,000) but less than one
- 32 hundred forty-eight thousand (148,000) shall nominate three (3)
- 33 residents of the county for appointment to the development board. One
- 34 (1) of the governor's initial appointments under subsection (b)(1) must
- 35 be an individual nominated by the mayor. At the expiration of the
- 36 member's term, the mayor of the second largest city in the county shall
- 37 nominate three (3) residents of the county for appointment to the
- 38 development board. One (1) of the governor's appointments under
- 39 subsection (b)(1) must be an individual nominated by the mayor.
- 40 Thereafter, the authority to nominate the three (3) individuals from
- 41 among whom the governor shall make an appointment under
- 42 subsection (b)(1) shall alternate between the mayors of the largest and
- 43 the second largest city in the county at the expiration of a member's
- 44 term.
- 45 (e) A county having a population of more than one hundred ten
- 46 thousand (110,000) but less than one hundred fifteen thousand

(115,000) shall be an eligible county participating in the development authority if the fiscal body of the county adopts an ordinance before September 15, 2006, providing that the county is joining the development authority, and the fiscal body of a city that is located in the county and that has a population of more than thirty-two thousand eight hundred (32,800) but less than thirty-three thousand (33,000) adopts an ordinance before September 15, 2006, providing that the city is joining the development authority. Notwithstanding subsection (b), if ordinances are adopted under this subsection and the county becomes an eligible county participating in the development authority:

(1) the development board shall be composed of nine (9) members rather than seven (7) members; and

(2) the additional two (2) members shall be appointed in the following manner:

(A) One (1) additional member shall be appointed by the governor and shall serve at the pleasure of the governor. The member appointed under this clause must be an individual nominated under subsection (f).

(B) One (1) additional member shall be appointed jointly by the county executive and county fiscal body.

(f) This subsection applies only if the county described in subsection (e) is an eligible county participating in the development authority. The mayor of the largest city in the county described in subsection (e) shall nominate three (3) residents of the county for appointment to the development board. The governor's initial appointment under subsection (e)(2)(A) must be an individual nominated by the mayor. At the expiration of the member's term, the mayor of the second largest city in the county described in subsection (e) shall nominate three (3) residents of the county for appointment to the development board. The governor's second appointment under subsection (e)(2)(A) must be an individual nominated by the mayor. Thereafter, the authority to nominate the three (3) individuals from among whom the governor shall make an appointment under subsection (e)(2)(A) shall alternate between the mayors of the largest and the second largest city in the county at the expiration of a member's term.

(g) An individual or entity required to make an appointment under subsection (b) or nominations under subsection (d) must make the initial appointment before September 1, 2005, or the initial nomination before August 15, 2005. If an individual or entity does not make an initial appointment under subsection (b) before September 1, 2005, or the initial nominations required under subsection (d) before September 1, 2005, the governor shall instead make the initial appointment.

**(h) Subsection (i) applies only to municipalities located in a county that:**

**(1) has a population of more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight**

1           thousand (148,000); and

2           (2) was a member of the development authority on July 1,  
3           2009, and after December 31, 2009, ceases to be a member of  
4           the development authority.

5           (i) If the fiscal bodies of at least two (2) municipalities subject to  
6           this subsection adopt ordinances to become members of the  
7           development authority, those municipalities shall become members  
8           of the development authority. If two (2) or more municipalities  
9           become members of the development authority under this  
10          subsection, the fiscal bodies of the municipalities that become  
11          members of the development authority shall jointly appoint one (1)  
12          member of the development board who shall serve in place of the  
13          member described in subsection (b)(3). A municipality that  
14          becomes a member of the development authority under this  
15          subsection is considered an eligible municipality for purposes of  
16          this article.

17          SECTION 480. IC 36-7.5-3-2, AS AMENDED BY P.L.47-2006,  
18          SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
19          JULY 1, 2009]: Sec. 2. (a) The development authority may do any of  
20          the following:

21               (1) Finance, improve, construct, reconstruct, renovate, purchase,  
22               lease, acquire, and equip land and projects located in an eligible  
23               county **or eligible municipality.**

24               (2) Lease land or a project to an eligible political subdivision.

25               (3) Finance and construct additional improvements to projects or  
26               other capital improvements owned by the development authority  
27               and lease them to or for the benefit of an eligible political  
28               subdivision.

29               (4) Acquire land or all or a portion of one (1) or more projects  
30               from an eligible political subdivision by purchase or lease and  
31               lease the land or projects back to the eligible political subdivision,  
32               with any additional improvements that may be made to the land  
33               or projects.

34               (5) Acquire all or a portion of one (1) or more projects from an  
35               eligible political subdivision by purchase or lease to fund or  
36               refund indebtedness incurred on account of the projects to enable  
37               the eligible political subdivision to make a savings in debt service  
38               obligations or lease rental obligations or to obtain relief from  
39               covenants that the eligible political subdivision considers to be  
40               unduly burdensome.

41               (6) Make loans, loan guarantees, and grants or provide other  
42               financial assistance to or on behalf of the following:

43                       (A) A commuter transportation district.

44                       (B) An airport authority or airport development authority.

45                       (C) A shoreline development commission.

46                       (D) A regional bus authority. A loan, loan guarantee, grant, or

- 1 other financial assistance under this clause may be used by a
- 2 regional bus authority for acquiring, improving, operating,
- 3 maintaining, financing, and supporting the following:
- 4 (i) Bus services (including fixed route services and flexible
- 5 or demand-responsive services) that are a component of a
- 6 public transportation system.
- 7 (ii) Bus terminals, stations, or facilities or other regional bus
- 8 authority projects.
- 9 (E) A regional transportation authority.
- 10 (7) Provide funding to assist a railroad that is providing commuter
- 11 transportation services in an eligible county **or eligible**
- 12 **municipality.**
- 13 (8) Provide funding to assist an airport authority located in an
- 14 eligible county **or eligible municipality** in the construction,
- 15 reconstruction, renovation, purchase, lease, acquisition, and
- 16 equipping of an airport facility or airport project.
- 17 (9) Provide funding to assist in the development of an intermodal
- 18 facility to facilitate the interchange and movement of freight.
- 19 (10) Provide funding to assist a shoreline development
- 20 commission in carrying out the purposes of IC 36-7-13.5.
- 21 (11) Provide funding for economic development projects in an
- 22 eligible county **or eligible municipality.**
- 23 (12) Hold, use, lease, rent, purchase, acquire, and dispose of by
- 24 purchase, exchange, gift, bequest, grant, condemnation, lease, or
- 25 sublease, on the terms and conditions determined by the
- 26 development authority, any real or personal property located in an
- 27 eligible county **or eligible municipality.**
- 28 (13) After giving notice, enter upon any lots or lands for the
- 29 purpose of surveying or examining them to determine the location
- 30 of a project.
- 31 (14) Make or enter into all contracts and agreements necessary or
- 32 incidental to the performance of its duties and the execution of its
- 33 powers under this article.
- 34 (15) Sue, be sued, plead, and be impleaded.
- 35 (16) Design, order, contract for, and construct, reconstruct, and
- 36 renovate a project or improvements to a project.
- 37 (17) Appoint an executive director and employ appraisers, real
- 38 estate experts, engineers, architects, surveyors, attorneys,
- 39 accountants, auditors, clerks, construction managers, and any
- 40 consultants or employees that are necessary or desired by the
- 41 development authority in exercising its powers or carrying out its
- 42 duties under this article.
- 43 (18) Accept loans, grants, and other forms of financial assistance
- 44 from the federal government, the state government, a political
- 45 subdivision, or any other public or private source.
- 46 (19) Use the development authority's funds to match federal

grants or make loans, loan guarantees, or grants to carry out the development authority's powers and duties under this article.

(20) Except as prohibited by law, take any action necessary to carry out this article.

(b) If the development authority is unable to agree with the owners, lessees, or occupants of any real property selected for the purposes of this article, the development authority may proceed under IC 32-24-1 to procure the condemnation of the property. The development authority may not institute a proceeding until it has adopted a resolution that:

(1) describes the real property sought to be acquired and the purpose for which the real property is to be used;

(2) declares that the public interest and necessity require the acquisition by the development authority of the property involved; and

(3) sets out any other facts that the development authority considers necessary or pertinent.

The resolution is conclusive evidence of the public necessity of the proposed acquisition.

SECTION 481. IC 36-7.5-4-1, AS ADDED BY P.L.214-2005, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The development board shall establish and administer a development authority fund.

(b) The development authority fund consists of the following:

(1) Riverboat admissions tax revenue, riverboat wagering tax revenue, or riverboat incentive payments received by a city or county described in IC 36-7.5-2-3(b) and transferred by the county or city to the fund.

(2) County economic development income tax revenue received under IC 6-3.5-7 by a county or city and transferred by the county or city to the fund.

(3) Amounts distributed under IC 8-15-2-14.7.

(4) Food and beverage tax revenue deposited in the fund under IC 6-9-36-8.

(5) Funds received from the federal government.

(6) Appropriations to the fund by the general assembly.

(7) Other local revenue appropriated to the fund by a political subdivision.

(8) Gifts, donations, and grants to the fund.

(c) ~~On the date the development authority issues bonds for any purpose under this article, which are secured in whole or in part by The development authority shall establish a development authority fund. The development board shall establish and administer two (2) accounts within the development authority fund. The accounts shall be the a general account, and the a lease rental account, After the accounts are established, and such other accounts in the fund as are necessary or~~

1 **appropriate to carry out the powers and duties of the development**  
 2 **authority. Except as otherwise provided by law or agreement with**  
 3 **holders of any obligations of the development authority,** all money  
 4 transferred to the development authority fund under ~~subsections~~  
 5 **subsection (b)(1), (b)(2), and (b)(4)** shall be deposited in the lease  
 6 rental account and used only for the payment of or to secure the  
 7 payment of obligations of an eligible political subdivision under a lease  
 8 entered into by an eligible political subdivision and the development  
 9 authority under this chapter. However, any money deposited in the  
 10 lease rental account and not used for the purposes of this subsection  
 11 shall be returned by the treasurer of the development authority to the  
 12 respective counties and cities that contributed the money to the  
 13 development authority.

14 (d) ~~Notwithstanding subsection (c),~~ If the amount of ~~all~~ money  
 15 transferred to the development authority fund under ~~subsections~~  
 16 **subsection (b)(1), (b)(2), and (b)(4)** for deposit in the lease rental  
 17 account in any one (1) calendar year is greater than an amount equal to:

18 (1) one and twenty-five hundredths (1.25); multiplied by

19 (2) the total of the highest annual debt service on any bonds then  
 20 outstanding to their final maturity date, which have been issued  
 21 under this article and are not secured by a lease, plus the highest  
 22 annual lease payments on any leases to their final maturity, which  
 23 are then in effect under this article;

24 ~~then~~ all or a portion of the excess may instead be deposited in the  
 25 general account.

26 (e) **Except as otherwise provided by law or agreement with the**  
 27 **holders of obligations of the development authority,** all other money  
 28 and revenues of the development authority may be deposited in the  
 29 general account or the lease rental account at the discretion of the  
 30 development board. Money on deposit in the lease rental account may  
 31 be used only to make rental payments on leases entered into by the  
 32 development authority under this article. Money on deposit in the  
 33 general account may be used for any purpose authorized by this article.

34 (f) The development authority fund shall be administered by the  
 35 development authority.

36 (g) Money in the development authority fund shall be used by the  
 37 development authority to carry out this article and does not revert to  
 38 any other fund.

39 SECTION 482. IC 36-7.5-4-2, AS AMENDED BY P.L.47-2006,  
 40 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 41 JULY 1, 2009]: Sec. 2. (a) Except as provided in subsection (b),  
 42 beginning in 2006 the fiscal officer of each city and county described  
 43 in IC 36-7.5-2-3(b) shall each transfer three million five hundred  
 44 thousand dollars (\$3,500,000) each year to the development authority  
 45 for deposit in the development authority fund established under section  
 46 1 of this chapter. **However, if a county having a population of more**

1 **than one hundred forty-five thousand (145,000) but less than one**  
 2 **hundred forty-eight thousand (148,000) ceases to be a member of**  
 3 **the development authority and two (2) or more municipalities in**  
 4 **the county have become members of the development authority as**  
 5 **authorized by IC 36-7.5-2-3(i), the transfer of county economic**  
 6 **development income tax transferred under IC 6-3.5-7-13.1(b)(4) is**  
 7 **the contribution of the municipalities in the county that have**  
 8 **become members of the development authority.**

9 (b) This subsection applies only if:

10 (1) the fiscal body of the county described in IC 36-7.5-2-3(e) has  
 11 adopted an ordinance under IC 36-7.5-2-3(e) providing that the  
 12 county is joining the development authority;

13 (2) the fiscal body of the city described in IC 36-7.5-2-3(e) has  
 14 adopted an ordinance under IC 36-7.5-2-3(e) providing that the  
 15 city is joining the development authority; and

16 (3) the county described in IC 36-7.5-2-3(e) is an eligible county  
 17 participating in the development authority.

18 Beginning in 2007, the fiscal officer of the county described in  
 19 IC 36-7.5-2-3(e) shall transfer two million six hundred twenty-five  
 20 thousand dollars (\$2,625,000) each year to the development authority  
 21 for deposit in the development authority fund established under section  
 22 1 of this chapter. Beginning in 2007, the fiscal officer of the city  
 23 described in IC 36-7.5-2-3(e) shall transfer eight hundred seventy-five  
 24 thousand dollars (\$875,000) each year to the development authority for  
 25 deposit in the development authority fund established under section 1  
 26 of this chapter.

27 (c) The following apply to the transfers required by subsections (a)  
 28 and (b):

29 (1) Except for transfers of money described in subdivision (4)(D),  
 30 the transfers shall be made without appropriation by the city or  
 31 county fiscal body or approval by any other entity.

32 (2) Except as provided in subdivision (3), after December 31,  
 33 2005, each fiscal officer shall transfer eight hundred seventy-five  
 34 thousand dollars (\$875,000) to the development authority fund  
 35 before the last business day of January, April, July, and October  
 36 of each year. Food and beverage tax revenue deposited in the fund  
 37 under IC 6-9-36-8 is in addition to the transfers required by this  
 38 section.

39 (3) After December 31, 2006, the fiscal officer of the county  
 40 described in IC 36-7.5-2-3(e) shall transfer six hundred fifty-six  
 41 thousand two hundred fifty dollars (\$656,250) to the development  
 42 authority fund before the last business day of January, April, July,  
 43 and October of each year. The county is not required to make any  
 44 payments or transfers to the development authority covering any  
 45 time before January 1, 2007. The fiscal officer of a city described  
 46 in IC 36-7.5-2-3(e) shall transfer two hundred eighteen thousand

seven hundred fifty dollars (\$218,750) to the development authority fund before the last business day of January, April, July, and October of each year. The city is not required to make any payments or transfers to the development authority covering any time before January 1, 2007.

(4) The transfers shall be made from one (1) or more of the following:

(A) Riverboat admissions tax revenue received by the city or county, riverboat wagering tax revenue received by the city or county, or riverboat incentive payments received from a riverboat licensee by the city or county.

(B) Any county economic development income tax revenue received under IC 6-3.5-7 by the city or county.

(C) Any other local revenue other than property tax revenue received by the city or county.

(D) In the case of a county described in IC 36-7.5-2-3(e) or a city described in IC 36-7.5-2-3(e), any money from the major moves construction fund that is distributed to the county or city under IC 8-14-16."

Page 439, between lines 32 and 33, begin a new paragraph and insert:

"SECTION 496. IC 36-9-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2011]: Sec. 1. This chapter applies to all units except townships. **However, with respect to a public transportation system, this chapter does not apply after December 31, 2009, to a county having a population of:**

**(1) more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); or**

**(2) more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000);**

**or a unit located in such a county.**

SECTION 497. IC 36-9-3-2, AS AMENDED BY P.L.214-2005, SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2011]: Sec. 2. (a) **Except as provided in subsection (c),** a fiscal body of a county or municipality may, by ordinance, establish a regional transportation authority (referred to as "the authority" in this chapter) for the purpose of acquiring, improving, operating, maintaining, financing, and generally supporting a public transportation system that operates within the boundaries of an area designated as a transportation planning district by the Indiana department of transportation. However, only one (1) public transportation authority may be established within an area designated as a transportation planning district by the Indiana department of transportation.

(b) The ordinance establishing the authority must include an effective date and a name for the authority. Except as provided in



subsubsection (c), the words "regional transportation authority" must be included in the name of the authority.

(c) ~~The words "regional bus authority" must be included in the name of an authority that includes~~ **A regional transportation authority serving** a county having a population of:

(1) more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); **or**

(2) **more than one hundred forty-five thousand (145,000) but less than one hundred forty-eight thousand (148,000);**

**is abolished effective January 1, 2010. After December 31, 2009, a regional transportation authority may not be established by a fiscal body of a county or a municipality in such a county.**

SECTION 498. IC 36-9-3-5, AS AMENDED BY P.L.70-2007, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 5. (a) An authority is under the control of a board (referred to as "the board" in this chapter) that, except as provided in ~~subsections~~ **subsubsection** (b), ~~and (c)~~, consists of:

(1) two (2) members appointed by the executive of each county in the authority;

(2) one (1) member appointed by the executive of the largest municipality in each county in the authority;

(3) one (1) member appointed by the executive of each second class city in a county in the authority; and

(4) one (1) member from any other political subdivision that has public transportation responsibilities in a county in the authority.

(b) An authority that includes a consolidated city is under the control of a board consisting of the following:

(1) Two (2) members appointed by the executive of the county having the consolidated city.

(2) One (1) member appointed by the board of commissioners of the county having the consolidated city.

(3) One (1) member appointed by the executive of each other county in the authority.

(4) Two (2) members appointed by the governor from a list of at least five (5) names provided by the Indianapolis regional transportation council.

(5) One (1) member representing the four (4) largest municipalities in the authority located in a county other than a county containing a consolidated city. The member shall be appointed by the executives of the municipalities acting jointly.

(6) One (1) member representing the excluded cities located in a county containing a consolidated city that are members of the authority. The member shall be appointed by the executives of the excluded cities acting jointly.

(7) One (1) member of a labor organization representing employees of the authority who provide public transportation

services within the geographic jurisdiction of the authority. The labor organization shall appoint the member.

(c) An authority that includes a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000) is under the control of a board consisting of the following twenty-one (21) members:

(1) Three (3) members appointed by the executive of a city with a population of more than ninety thousand (90,000) but less than one hundred five thousand (105,000):

(2) Two (2) members appointed by the executive of a city with a population of more than seventy-five thousand (75,000) but less than ninety thousand (90,000):

(3) One (1) member jointly appointed by the executives of the following municipalities located within a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000):

(A) A city with a population of more than five thousand one hundred thirty-five (5,135) but less than five thousand two hundred (5,200):

(B) A city with a population of more than thirty-two thousand (32,000) but less than thirty-two thousand eight hundred (32,800):

(4) One (1) member who is jointly appointed by the fiscal body of the following municipalities located within a county with a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000):

(A) A town with a population of more than fifteen thousand (15,000) but less than twenty thousand (20,000):

(B) A town with a population of more than twenty-three thousand (23,000) but less than twenty-four thousand (24,000):

(C) A town with a population of more than twenty thousand (20,000) but less than twenty-three thousand (23,000):

(5) One (1) member who is jointly appointed by the fiscal body of the following municipalities located within a county with a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000):

(A) A town with a population of more than eight thousand (8,000) but less than nine thousand (9,000):

(B) A town with a population of more than twenty-four thousand (24,000) but less than thirty thousand (30,000):

(C) A town with a population of more than twelve thousand five hundred (12,500) but less than fifteen thousand (15,000):

(6) One (1) member who is jointly appointed by the following authorities of municipalities located in a county having a population of more than four hundred thousand (400,000) but less

than seven hundred thousand (700,000):

(A) The executive of a city with a population of more than nineteen thousand eight hundred (19,800) but less than twenty-one thousand (21,000):

(B) The fiscal body of a town with a population of more than nine thousand (9,000) but less than twelve thousand five hundred (12,500):

(C) The fiscal body of a town with a population of more than five thousand (5,000) but less than eight thousand (8,000):

(D) The fiscal body of a town with a population of less than one thousand five hundred (1,500):

(E) The fiscal body of a town with a population of more than two thousand two hundred (2,200) but less than five thousand (5,000):

(7) One (1) member appointed by the fiscal body of a town with a population of more than thirty thousand (30,000) located within a county with a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000):

(8) One (1) member who is jointly appointed by the following authorities of municipalities that are located within a county with a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000):

(A) The executive of a city having a population of more than twenty-five thousand (25,000) but less than twenty-seven thousand (27,000):

(B) The executive of a city having a population of more than thirteen thousand nine hundred (13,900) but less than fourteen thousand two hundred (14,200):

(C) The fiscal body of a town having a population of more than one thousand five hundred (1,500) but less than two thousand two hundred (2,200):

(9) Three (3) members appointed by the fiscal body of a county with a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000):

(10) One (1) member appointed by the county executive of a county with a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000):

(11) One (1) member of a labor organization representing employees of the authority who provide public transportation services within the geographic jurisdiction of the authority. The labor organization shall appoint the member. If more than one (1) labor organization represents the employees of the authority, each organization shall submit one (1) name to the governor; and the governor shall appoint the member from the list of names submitted by the organizations:

(12) The executive of a city with a population of more than

1 twenty-seven thousand four hundred (27,400) but less than  
 2 twenty-eight thousand (28,000); located within a county with a  
 3 population of more than one hundred forty-five thousand  
 4 (145,000) but less than one hundred forty-eight thousand  
 5 (148,000); or the executive's designee.

6 (13) The executive of a city with a population of more than  
 7 thirty-three thousand (33,000) but less than thirty-six thousand  
 8 (36,000); located within a county with a population of more than  
 9 one hundred forty-five thousand (145,000) but less than one  
 10 hundred forty-eight thousand (148,000); or the executive's  
 11 designee.

12 (14) One (1) member of the board of commissioners of a county  
 13 with a population of more than one hundred forty-five thousand  
 14 (145,000) but less than one hundred forty-eight thousand  
 15 (148,000); appointed by the board of commissioners; or the  
 16 member's designee.

17 (15) One (1) member appointed jointly by the township executive  
 18 of the township containing the following towns:

19 (A) Chesterton.

20 (B) Porter.

21 (C) Burns Harbor.

22 (D) Dune Acres.

23 The member appointed under this subdivision must be a resident  
 24 of a town listed in this subdivision.

25 (16) One (1) member appointed jointly by the township  
 26 executives of the following townships located in Porter County:

27 (A) Washington Township.

28 (B) Morgan Township.

29 (C) Pleasant Township.

30 (D) Boone Township.

31 (E) Union Township.

32 (F) Porter Township.

33 (G) Jackson Township.

34 (H) Liberty Township.

35 (I) Pine Township.

36 The member appointed under this subdivision must be a resident  
 37 of a township listed in this subdivision.

38 If a county or city becomes a member of the authority under section 3.5  
 39 of this chapter, the executive of the county or city shall appoint one (1)  
 40 member to serve on the board.

41 SECTION 499. IC 36-9-3-6, AS AMENDED BY P.L.70-2007,  
 42 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 43 JANUARY 1, 2010]: Sec. 6. (a) Except as provided in subsection (d),  
 44 the appointments required by section 5 of this chapter must be made as  
 45 soon as is practical, but not later than sixty (60) days after the adoption  
 46 of the ordinance establishing the authority. If any appointing authority

1 fails to make the required appointment within the sixty (60) day time  
 2 limit, the circuit court from the jurisdiction of the appointing authority  
 3 shall make the appointment without delay.

4 (b) The term of office of a member of the board is

- 5 ~~(1) two (2) years, for a member of a board located in a county~~  
 6 ~~with a population of more than four hundred thousand (400,000)~~  
 7 ~~but less than seven hundred thousand (700,000); and~~  
 8 ~~(2) four (4) years for all other boards;~~

9 and continues until the member's successor has qualified for the office.

10 A member may be reappointed for successive terms.

11 (c) A member of the board serves at the pleasure of the appointing  
 12 authority.

13 (d) ~~An appointment to an authority located in a county with a~~  
 14 ~~population of more than four hundred thousand (400,000) but less than~~  
 15 ~~seven hundred thousand (700,000) must be made not later than sixty~~  
 16 ~~(60) days after the adoption of the ordinance establishing the authority;~~  
 17 ~~or for the purpose of reappointments, sixty (60) days after a scheduled~~  
 18 ~~reappointment. If the appointing authority designated in section 5(c)(3);~~  
 19 ~~5(c)(4), 5(c)(5), 5(c)(6), or 5(c)(8) of this chapter fails to make an~~  
 20 ~~appointment, the appointment shall be made by the governor. If a~~  
 21 ~~county or city becomes a member of the authority under section 3.5 of~~  
 22 ~~this chapter and the executive of the county or city fails to make an~~  
 23 ~~appointment to the board within sixty (60) days after the county or city~~  
 24 ~~becomes a member of the authority, the appointment shall be made by~~  
 25 ~~the governor. The governor shall select an individual from a list~~  
 26 ~~comprised of one (1) name from each appointing authority for that~~  
 27 ~~particular appointment.~~

28 SECTION 500. IC 36-9-3-7 IS AMENDED TO READ AS  
 29 FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 7. (a) ~~Except as~~  
 30 ~~provided in subsection (c);~~ As soon as is practical, but not later than  
 31 ninety (90) days after the authority is established, the members shall  
 32 meet and organize themselves as a board.

33 (b) ~~Except as provided in subsection (f);~~ At its first meeting, and  
 34 annually after that, the board shall elect from its members a president,  
 35 a vice president who shall perform the duties of the president during  
 36 the absence or disability of the president, a secretary, and a treasurer.  
 37 If the authority includes more than one (1) county, the president and  
 38 vice president must be from different counties.

39 (c) The regional planning commission staff or the metropolitan  
 40 planning organization if the authority includes a consolidated city shall  
 41 serve as staff to the board secretary for the purpose of recording the  
 42 minutes of all board meetings and keeping the records of the authority.

43 (d) The board shall keep its maps, plans, documents, records, and  
 44 accounts in a suitable office, subject to public inspection at all  
 45 reasonable times.

46 (e) ~~If the authority includes a county having a population of more~~

than four hundred thousand (400,000) but less than seven hundred thousand (700,000); the first meeting of the board shall be at the call of the county council of the county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000). The president of the county council shall preside over the first meeting until the officers of the board have been elected:

(f) If the authority includes a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), the board shall first meet in January. At the first meeting the board shall elect from its members a president, a vice president who shall perform the duties of the president during the absence or disability of the president, a secretary, a treasurer, and any other officers the board determines are necessary for the board to function.

SECTION 501. IC 36-9-3-9, AS AMENDED BY P.L.1-2007, SECTION 246, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 9. (a) A majority of the members appointed to the board constitutes a quorum for a meeting.

(b) Except as provided in subsection (c), The board may act officially by an affirmative vote of a majority of those present at the meeting at which the action is taken.

(c) If the authority includes a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), then:

(1) an affirmative vote of a majority of the board is necessary for an action to be taken; and

(2) a vacancy in membership does not impair the right of a quorum to exercise all rights and perform all duties of the board.

SECTION 502. IC 36-9-3-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2010]: Sec. 10. (a) Except as provided in subsection (b), The members of the board are not entitled to a salary but are entitled to an allowance for actual expenses and mileage at the same rate as other county officials.

(b) If the authority includes a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000), a member of the board is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties as provided:

(1) in the procedures established by the department of administration and approved by the budget agency for state employee travel; or

(2) by ordinance of the county fiscal body.

SECTION 503. IC 36-9-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2011]: Sec. 1. This chapter applies to all municipalities. **However, after December 31, 2011, this chapter does not apply to a municipality located in a county having**

1 **a population of:**

2 **(1) more than four hundred thousand (400,000) but less than**  
 3 **seven hundred thousand (700,000); or**

4 **(2) more than one hundred forty-five thousand (145,000) but**  
 5 **less than one hundred forty-eight thousand (148,000).**

6 SECTION 504. IC 36-9-4-29.4, AS AMENDED BY P.L.99-2007,  
 7 SECTION 223, IS AMENDED TO READ AS FOLLOWS  
 8 [EFFECTIVE UPON PASSAGE]: Sec. 29.4. (a) This section does not  
 9 apply to a public transportation corporation located in a county having  
 10 a consolidated city.

11 (b) A public transportation corporation may provide regularly  
 12 scheduled passenger service to specifically designated locations outside  
 13 the system's operational boundaries as described in IC 36-9-1-9 if all  
 14 of the following conditions are met:

15 (1) The legislative body of the municipality approves any  
 16 expansion of the service outside the municipality's corporate  
 17 boundaries.

18 (2) The expanded service is reasonably required to do any of the  
 19 following:

20 (A) Enhance employment opportunities in the new service area  
 21 or the existing service area.

22 (B) Serve persons who are elderly, persons with a disability, or  
 23 other persons who are in need of public transportation.

24 ~~(3) The rates or compensation for the expanded service are~~  
 25 ~~sufficient, on a fully allocated cost basis, to prevent a property tax~~  
 26 ~~increase in the taxing district solely as a result of the expanded~~  
 27 ~~service.~~

28 ~~(4)~~ (3) Except as provided in subsection (e), the expanded service  
 29 does not extend beyond the boundary of the county in which the  
 30 corporation is located.

31 ~~(5)~~ (4) The corporation complies with sections 29.5 and 29.6 of  
 32 this chapter.

33 (c) Notwithstanding section 39 of this chapter, a public  
 34 transportation corporation may provide demand responsive service  
 35 outside of the system's operational boundaries as described in  
 36 IC 36-9-1-9 if the conditions listed in subsection (b) are met.

37 (d) The board may contract with a private operator for the operation  
 38 of an expanded service under this section.

39 (e) Subsection ~~(b)(4)~~ ~~(b)(3)~~ does not apply to a special purpose bus  
 40 (as defined in IC 20-27-2-10) or a school bus (as defined in  
 41 IC 20-27-2-8) that provides expanded service for a purpose permitted  
 42 under IC 20-27-9."

43 Page 440, between lines 26 and 27, begin a new paragraph and  
 44 insert:

45 "SECTION 518. THE FOLLOWING ARE REPEALED  
 46 [EFFECTIVE JANUARY 1, 2010]: IC 36-9-3-12.5; IC 36-9-3-31.

SECTION 519. [EFFECTIVE JULY 1, 2008 (RETROACTIVE)]:

(a) There is appropriated fifteen million dollars (\$15,000,000) to the Northern Indiana Commuter Transportation District from Indiana's apportionment of grants to the states under the federal American Recovery and Reinvestment Act of 2009 for the purpose of relocating rail lines to the west side of the airport in South Bend, Indiana, beginning July 1, 2008, and ending June 30, 2010.

(b) There is appropriated fifteen million dollars (\$15,000,000) to the Northern Indiana Commuter Transportation District from Indiana's apportionment of grants to the states under the federal American Recovery and Reinvestment Act of 2009 to make railroad track safety and efficiency improvements in Michigan City, Indiana, beginning July 1, 2008, and ending June 30, 2010.

(c) The sums appropriated to the grant recipients by this SECTION are in addition to all other income and receipts of the grant recipients and shall not be considered in awarding grants to grant recipients under a law other than this SECTION.

(d) The Northern Indiana Commuter Transportation District shall present the plan for the use of the grants to the state budget committee for review under IC 4-12-1-11.5. A grant recipient shall periodically file with the budget agency financial statements showing the uses of the amount distributed to the grant recipient under this SECTION on the schedule, in the form, and with the detail prescribed by the budget agency. The appropriations under this SECTION are subject to allotment by the budget agency after review by the budget committee.

(e) This SECTION expires July 1, 2011."

Renumber all SECTIONS consecutively.

(Reference is to HB 1001(ss) as printed June 15, 2009.)

---

Representative Dobis